

**ANNUAL
REPORT
FOR
2015/16
FINANCIAL
YEAR**

2015/16

TABLE OF CONTENTS

GLOSSARY OF TERMS AND ACRONYMS	7
1 FOREWORDS, REPORT OF THE AUDIT AND PERFORMANCE COMMITTEE AND EXECUTIVE SUMMARY	15
A FOREWORD OF THE EXECUTIVE MAYOR	16
B FOREWORD OF THE CITY MANAGER	21
C REPORT OF THE AUDIT AND PERFORMANCE COMMITTEE FOR THE PERIOD ENDED 30 JUNE 2016	27
D EXECUTIVE SUMMARY	32
MUNICIPAL MANAGER'S OVERVIEW	33
MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW	36
2 GOVERNANCE	42
1 POLITICAL GOVERNANCE	42
2 ADMINISTRATIVE GOVERNANCE	49
3 INTERGOVERNMENTAL RELATIONS	51
4 PUBLIC ACCOUNTABILITY AND PARTICIPATION	53
5 CORPORATE GOVERNANCE	54
3 SERVICE DELIVERY PERFORMANCE	57
A BASIC SERVICES	60
1 WATER	60
2 SANITATION PROVISION	68
3 ELECTRICITY	75
4 WASTE MANAGEMENT	81
5 HOUSING	88
B ROADS AND TRANSPORT	93
1 ROADS AND STORM WATER	93
2 TRANSPORT	93
C PLANNING AND DEVELOPMENT	97
1 PLANNING	97
2 ECONOMIC DEVELOPMENT	104
3 TSHWANE FRESH PRODUCE MARKET	110
D COMMUNITY AND SOCIAL SERVICES	114
1 LIBRARIES	114
2 ENVIRONMENTAL MANAGEMENT	116
E HEALTH	123
1 ACCESS TO HEALTHCARE	123
2 ENVIRONMENTAL HEALTH	137
3 SOCIAL DEVELOPMENT	142

F	SECURITY AND SAFETY	146
1	METRO POLICE SERVICES	146
2	FIRE SERVICES	149
3	EMERGENCY SERVICES	152
G	SPORT AND RECREATION	156
1	SPORT PROGRAMMES	156
2	ART AND CULTURE PROGRAMMES	157
H	CORPORATE POLICY OFFICES AND OTHER SERVICES	159
1	CITY STRATEGIES AND PERFORMANCE MANAGEMENT	159
2	CITY SUSTAINABILITY UNIT	160
3	GROUP INFORMATION AND COMMUNICATION TECHNOLOGY	164
5	OFFICE OF THE SPEAKER	165
6	GROUP LEGAL SERVICES	168
7	GROUP AUDIT AND RISK	170
I	ORGANISATIONAL PERFORMANCE SCORECARDS	176
1	CONTEXTUALISING THE SCORECARDS	177
2	SUMMARY OF PERFORMANCE FOR THE 2015/16 FINANCIAL YEAR	178
3	DETAILED SCORECARDS: PERFORMANCE OF THE CITY OF TSHWANE FOR THE 2015/16 FINANCIAL YEAR	179
J	MUNICIPAL ENTITIES	195
1	HOUSING COMPANY TSHWANE	196
2	SANDSPRUIT WORKS ASSOCIATION (SWA)	208
3	TSHWANE ECONOMIC DEVELOPMENT AGENCY (TEDA)	217
4	ORGANISATIONAL DEVELOPMENT PERFORMANCE MANAGEMENT	229
A	INTRODUCTION TO MUNICIPAL PERSONNEL	229
1	EMPLOYEE TOTALS, TURNOVER AND VACANCIES	229
2	SECTION 56 EMPLOYEES, DISABILITY AND EMPLOYMENT EQUITY	234
B	MANAGING THE MUNICIPAL WORKFORCE	241
1	INJURIES, SICK LEAVE AND SUSPENSIONS	241
2	CAPACITATING THE MUNICIPAL WORKFORCE	245
3	DISCLOSURES	246
5	FINANCIAL PERFORMANCE	261
2	ACCOUNTING FRAMEWORK FOR 2015/16	263
3.3	GOVERNMENT GRANTS AND SUBSIDIES	268
8	FINANCIAL SUSTAINABILITY	281
6	REPORTS OF THE AUDITOR GENERAL	288
A	TREATMENT OF MATTERS RAISED BY THE AUDITOR-GENERAL IN PREVIOUS AND CURRENT FINANCIAL YEARS	288

B	AUDITOR-GENERAL OPINION YEAR 5 (2015/16 FINANCIAL YEAR)	290
	APPENDICES	297
A	CAPITAL PROJECTS EXPENDITURE	297

LIST OF FIGURES

FIGURE 1:	LOCATION OF TSHWANE	37
FIGURE 2:	CITY OF TSHWANE ADMINISTRATIVE REGIONS	39
FIGURE 3:	CONSTRUCTION OF EKANGALA WWTW	65
FIGURE 4:	STRATEGIC EXECUTIVE DIRECTOR: ECONOMIC DEVELOPMENT, MS TEMBEKA MHLEKWA (FAR LEFT), WITH MMCs AND THE “I AM AN ENTREPRENEUR” DELEGATION	106
FIGURE 5:	METRO POLICE VEHICLES AWAITING REPAIRS AT THE GA-RANKUWA AUTOMOTIVE COOPERATIVE	107
FIGURE 6:	GIRAFFE (GROENKLOOF NATURE RESERVE)	118
FIGURE 7:	RHINO (RIETVLEI NATURE RESERVE)	118
FIGURE 8:	INCREASE IN PATIENT VISITS TO LOCAL AUTHORITY CLINICS	126
FIGURE 9:	MHS COMPLAINTS	138
FIGURE 10:	CERTIFICATION RATE FOR PREMISES	141
FIGURE 11:	WORLD FOOD DAY COMMEMORATION IN MAMELODI	142
FIGURE 12:	TIENDHLELENI PRESCHOOL	144
FIGURE 13:	INSPECTION PARADE	147
FIGURE 14:	CAT MASCOTS AND CRIME PREVENTION OFFICERS ENTERTAINING CHILDREN AT GIANT STADIUM	148
FIGURE 15:	OPEN TRENCHES	149
FIGURE 16:	DRUG PARAPHERNALIA	149
FIGURE 17:	FIRE ANALYSIS, 2015/16	152
FIGURE 18:	SCHOOL AWARENESS CAMPAIGNS	154
FIGURE 19:	TSHWANE VISION 2055, OUTCOMES 1 TO 3	177
FIGURE 20:	TSHWANE VISION 2055, OUTCOMES 4 TO 6	177
FIGURE 21:	CONSOLIDATED OPERATING REVENUE	266
FIGURE 22:	CONSOLIDATED OPERATING EXPENDITURE	267
FIGURE 23:	CAPITAL EXPENDITURE PER ASSET CLASS	279

LIST OF TABLES

TABLE 1:	GLOSSARY OF TERMS	7
TABLE 2:	ACRONYMS	10
TABLE 3:	ATTENDANCE – APC MEETINGS	28
TABLE 4:	ATTENDANCE OF RISK COMMITTEE MEETINGS	28

TABLE 5: POPULATION COMPARISON ACROSS MUNICIPALITIES IN GAUTENG	38
TABLE 6: TSHWANE POPULATION DISTRIBUTION BY PLANNING REGION	38
TABLE 7: COUNCIL SEAT ALLOCATION	43
TABLE 8: CHAIRPERSONS OF SECTION 79 COMMITTEES IN THE CITY OF TSHWANE	44
TABLE 9: CHAIRPERSONS OF STANDING COMMITTEES OF COUNCIL	44
TABLE 10: MEMBERS OF THE MAYORAL COMMITTEE	46
TABLE 11: CITY OF TSHWANE SENIOR MANAGEMENT	49
TABLE 12: AREAS OF PERFORMANCE REPORTED ON IN THIS CHAPTER	59
TABLE 13: PROVISION OF WATER SERVICES SINCE 2011	61
TABLE 14: UPGRADE OF WATER CONNECTIONS FROM BASIC TO FULL SERVICES	63
TABLE 15: USE OF WATER BY SECTOR	66
TABLE 16: BLUE DROP ASSESSMENT SCORES	67
TABLE 17: SANITATION ACHIEVEMENTS SINCE 2011	69
TABLE 18: SANITATION PROVISION SINCE 2011	69
TABLE 19: SANITATION INFRASTRUCTURE UPGRADED (METER, BULK AND NETWORK)	70
TABLE 20: SANITATION SERVICE DELIVERY LEVELS	71
TABLE 21: ESTIMATED LIFESPAN OF LANDFILL SITES	83
TABLE 22: HUMAN SETTLEMENT ACHIEVEMENTS PER GEOGRAPHICAL AREA (HOUSES BUILT)	89
TABLE 23: TSHWANE BUS SERVICES DATA	94
TABLE 24: HIGH-LEVEL ACHIEVEMENTS OF THE DEPARTMENT FOR THE 2015/16 FINANCIAL YEAR	95
TABLE 25: LAND-USE APPLICATIONS RECEIVED	98
TABLE 26: LAND APPLICATIONS FINALISED	100
TABLE 27: BUILDING CONTROL, BUILDING PLAN APPLICATIONS AND INSPECTION MANAGEMENT	102
TABLE 28: NUMBER OF VISITORS TO THE CITY'S NATURE FACILITIES	119
TABLE 29: AIR QUALITY MONITORING STATIONS	119
TABLE 30: GREENING THE CITY	121
TABLE 31: INSPECTIONS	122
TABLE 32: SERVICE DATA FOR CLINICS	125
TABLE 33: TSHWANE DISTRICT PRIMARY HEALTHCARE FACILITIES PER REGION	126
TABLE 34: COMPRESSED CPD PROGRAMME	137
TABLE 35: SAMPLING RESULTS, 2015/16	139
TABLE 36: METROPOLITAN FIRE SERVICE DATA	150
TABLE 37: SCHOOL AWARENESS CAMPAIGNS CARRIED OUT	153
TABLE 38: EMERGENCY MEDICAL SERVICES	155
TABLE 39: RISK MANAGEMENT IN GROUP AUDIT AND RISK	173
TABLE 40: PERFORMANCE ON IDP TARGETS	179
TABLE 41: PERFORMANCE ON SDBIP TARGETS	185
TABLE 42: REMEDIAL ACTIONS	191

TABLE 43: CEOs OF THE MUNICIPAL ENTITIES	195
TABLE 44: HCT BOARD OF DIRECTORS	198
TABLE 45: HCT SUPPLY CHAIN MANAGEMENT COMMITTEES	200
TABLE 46: SWA BOARD OF DIRECTORS	209
TABLE 47: SWA'S SCM COMMITTEES AND FUNCTIONS	213
TABLE 48: SWA'S BID ADJUDICATION COMMITTEE STRUCTURE AND NON-COMPLIANCE WITH THE REQUIREMENTS	214
TABLE 49: TEDA BOARD OF DIRECTORS	218
TABLE 50: TEDA'S SUPPLY CHAIN MANAGEMENT	221
TABLE 51: TEDA'S SUPPLY CHAIN COMMITTEES AND FUNCTIONS	- 222 -
TABLE 52: BID ADJUDICATION COMMITTEE STRUCTURE AND NON-COMPLIANCE WITH THE REQUIREMENTS	223
TABLE 53: EXPLANATORY TABLE – CATEGORISATION OF OCCUPATIONAL LEVELS	230
TABLE 54: TOTAL NUMBER OF EMPLOYEES (INCLUDING DISABLED) PER OCCUPATIONAL LEVEL AS AT 30 JUNE 2016	230
TABLE 55: POSITIONS FILLED VS THOSE ADVERTISED	231
TABLE 56: NUMBER OF POSTS FILLED	231
TABLE 57: PERMANENT POSITIONS	233
TABLE 58: TOTAL NUMBER OF EMPLOYEES WITH DISABILITIES ON THE DIFFERENT OCCUPATIONAL LEVELS	234
TABLE 59: EMPLOYMENT EQUITY TARGETS	236
TABLE 60: SWA	237
TABLE 61: VACANCIES IN HCT	238
TABLE 62: EMPLOYMENT EQUITY – HCT	239
TABLE 63: EMPLOYMENT EQUITY – TEDA (INCLUDING PEOPLE WITH DISABILITIES)	240
TABLE 64: TEDA VACANCIES AND FILLED POSITIONS	241
TABLE 65: INJURIES FOR 2015/16	242
TABLE 66: TOTAL SICK LEAVE RECORDED 2015/16	244
TABLE 67: SUSPENSIONS UPLIFTED, 2015/16	244
TABLE 68: TOTAL EMPLOYEES TRAINED	245
TABLE 69: REMUNERATION OF MUNICIPAL MANAGER AND DIRECT REPORTS	246
TABLE 70: DISCLOSURES CONCERNING COUNCILLORS	248
TABLE 71: SERVICE EXCELLENCE AWARDS	259
TABLE 72: GRAP STANDARDS	263
TABLE 73: OVERALL OPERATING RESULTS	265
TABLE 74: REMUNERATION	268
TABLE 75: GOVERNMENT GRANTS AND SUBSIDIES	268
TABLE 76: FINANCIAL POSITION	270
TABLE 77: FINANCIAL PERFORMANCE	272
TABLE 78: CASHFLOW RATIOS	275
TABLE 79: GROUP	276
TABLE 80: INCREASE/DECREASE IN FUNDING SOURCES	277

TABLE 81: ACTUAL CAPITAL EXPENDITURE	279
TABLE 82: SOURCE OF FUNDING FOR ASSETS	280
TABLE 86: CAPITAL EXPENDITURE	297

GLOSSARY OF TERMS AND ACRONYMS

Table 1: Glossary of terms

Term	Definition
Accounting officer	(a) In relation to a municipality, the municipal official referred to in section 60 of the Municipal Systems Act; or (b) In relation to a municipal entity, the official of the entity referred to in section 93 and including a person acting as the accounting officer.
Annual report	In relation to a municipality or a municipal entity, an annual report as contemplated in section 121 of the Municipal Finance Management Act.
Auditor-General of South Africa	The person appointed as the Auditor-General in terms of section 193 of the Constitution, and including a person – (a) acting as Auditor-General; (b) acting in terms of a delegation by the Auditor-General; or (c) designated by the Auditor-General to exercise a power or perform a duty of the Auditor-General.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety or the environment. According to Regulation 10 of the Municipal Planning and Performance Management Regulations, 2001, such services include water, sanitation, electricity and solid waste removal.
Backlog	Services or goods that have accumulated over time and are still undelivered, unattended or still not produced.
Baseline	The accurate and quantitative data at a stated point in time that mark the beginning of a trend.
Councillor	A member of a municipal council.
Section 56 employee	In terms of the Municipal Systems Act, a person employed by a municipality who is directly accountable to a municipal manager.
Employer	The municipality employing a person as a municipal manager, or as manager directly accountable to a municipal manager, and as represented by the mayor, executive mayor or municipal manager, as the case may be.
Employment contract	A contract as contemplated in section 57 of the Municipal Systems Act.

Term	Definition
External service provider	An external mechanism referred to in section 76(b) of the Municipal Systems Act, which provides a municipal service to a municipality.
Financial statement	In relation to a municipality or municipal entity, a statement consisting of at least – (a) a statement of financial position; (b) a statement of financial performance; (c) a cash flow statement; (d) any other statement that may be prescribed; and (e) any notes to these statements.
Financial year	The financial year of municipalities, which ends on 30 June of each year.
Input indicator	An indicator that measures the costs, resources and time used to produce an output.
Integrated development plan (IDP)	A plan envisaged in section 25 of the Municipal Systems Act.
Local community or community	In relation to a municipality, that body or persons comprising – (a) the residents of the municipality; (b) the ratepayers of the municipality; and (c) any civic organisation and non-government, private sector or labour organisation or body that is involved in the local affairs of the municipality.
Mayor	In relation to – (a) a municipality with an executive mayor: the councillor elected as the executive mayor of the municipality in terms of section 55 of the Municipal Structures Act; or (b) a municipality with an executive committee: the councillor elected as the mayor of the municipality in terms of section 48 of the Act.
Mid-year report	A report that is developed in terms of section 72 of the MFMA and is intended to inform the council of a municipality's mid-year budget and performance assessment.
Mid-term report	A report that is developed half-way during the council's term and reflects, among others, the progress of the municipality on the IDP for that period. It is not a legislated report.
Municipality	When referred to as –

Term	Definition
	<p>(a) an entity: a municipality as described in section 2 of the Municipal Systems Act; and</p> <p>(b) a geographical area: a municipal area determined in terms of the Local Government: Municipal Demarcation Act, 1998 (Act 27 of 1998).</p>
Municipal entity	<p>As defined in section 1 of Act 44 of 2003 –</p> <p>(a) a private company referred to in section 86B(1)(a) of the Municipal Systems Act;</p> <p>(b) a service utility; or</p> <p>(c) a multi-jurisdiction service utility.</p>
Municipal Finance Management Act	The Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) and any regulations made under the Act.
Municipal manager	A person appointed in terms of section 82 of the Municipal Structures Act.
Municipal Structures Act	The Local Government: Municipal Structures Act, 1998 (Act 117 of 1998).
Municipal Systems Act	The Local Government: Municipal Systems Act, 2000 (Act 32 of 2000).
Outcome indicator	An indicator that measures the quality and/or impact of an output regarding a particular objective.
Output indicator	An indicator that measures the results of activities, processes and strategies of a municipality's programme.
Performance agreement	An agreement as contemplated in section 57 of the Municipal Systems Act.
Performance plan	A part of the performance agreement that details the performance objectives and targets that must be met and the time frame within which these must be met.
Service delivery and budget implementation plan	<p>A detailed plan approved by the mayor of a municipality in terms of section 53(1)(c)(ii) of the Municipal Finance Management Act for implementing the municipality's delivery of municipal services and its annual budget, and which must indicate –</p> <p>(a) projections for each month of –</p> <p style="padding-left: 40px;">(i) revenue to be collected by source; and</p> <p style="padding-left: 40px;">(ii) operational and capital expenditure by vote;</p> <p>(b) service delivery targets and performance indicators for each quarter; and</p>

Term	Definition
	(c) any other matters that may be prescribed; and includes any revisions of such plan by the mayor in terms of section 54(1)(c) of the Municipal Finance Management Act.
Monitoring and evaluation	<p>Monitoring is a process that entails collecting and analysing data on inputs, activities, outputs, outcomes and impacts as well as external factors in order to support effective management.</p> <p>Evaluation is a process of assessing relevance, efficiency, effectiveness, impact and sustainability.</p>

Table 2: Acronyms

ABBREVIATION	FULL NAME
ACCSF	African Capital Cities Sustainability Forum
AFS	Annual Financial Statements
AGSA	Auditor-General of South Africa
AOPO	Audit of predetermined objectives
APC	Audit and Performance Committee
APR	Annual Performance Report
CAPEX	Capital expenditure
CCMDD	Central chronic medicine dispensing and distribution
CEU	Continuing Education Unit
CFO	Chief Financial Officer
CM	City Manager
COGTA	Cooperative Governance and Traditional Affairs Department
CPD	Continuing professional development
CSPM	City Strategies and Performance Management Department
CSU	City Sustainability Unit
CTMM	City of Tshwane Metropolitan Municipality
DCM	Deputy City Manager

ABBREVIATION	FULL NAME
DIRCO	Department of International Relations and Cooperation
ECD	Early childhood development
ECDI	Early Childhood Development Institute
ED	Executive Director
EEPF	Entrepreneur Empowerment Property Fund
EMS	Emergency Medical Services
EPI	Expanded Programme of Immunisation
EPR	Electronic Patient Register
EPWP	Expanded Public Works Programme
GBA	Gross building area
GBCSA	Green Building Council of South Africa
GIB	Global Infrastructure Basel
GLA	Gross lettable area
GPF	Gauteng Partnership Fund
GPSACR	Gauteng Department of Sport, Arts, Culture and Recreation
GVA	Gross value added
HCT	Housing Company Tshwane
HR	Human resources
ICT	Information and communication technology
IDP	Integrated Development Plan
IGR	Intergovernmental relations
IMCI	Integrated management of childhood diseases
IRPTN	Integrated Rapid Public Transport Network
IT	Information technology
KPA	Key performance area
KPI	Key performance indicator

ABBREVIATION	FULL NAME
LGSETA	Local Government Sector Education and Training Authority
MDG	Millennium Development Goal
MEC	Member of the Executive Committee
MFMA	Municipal Finance Management Act 56 of 2003
MHS	Municipal Health Services
MMC	Member of the Mayoral Committee
MoU	Memorandum of understanding
MPAC	Municipal Public Accounts Committee
MSA	Municipal Systems Act 32 of 2000
MTREF	Medium-term Revenue and Expenditure Framework
MTS	Municipal transitional settlement
NBI	National Business Institute
NCD	Non-communicable disease
NDP	National Development Plan
NDPG	Neighbourhood Development Partnership Grant
NLSA	National Library of South Africa
NMT	Non-motorised transport
OPCA	Operation Clean Audit
PCF	Premier's Coordinating Forum
PHC	Primary healthcare
PMTCT	Prevention of mother-to-child transmission of HIV
POE	Portfolio of evidence
PPP	Public-private partnership
PR	Proportional representation
QPR	Quality process and result
SALGA	South African Local Government Association

ABBREVIATION	FULL NAME
SCM	Supply chain management
SDBIP	Service Delivery and Budget Implementation Plan
SED	Strategic Executive Director
SHI	Social Housing Institution
SHRA	Social Housing Regulatory Authority
SLA	Service-level agreement
SMART	Specific, measurable, attainable, realistic and time bound (criteria)
SMME	Small, medium and micro-sized enterprise
Stats SA	Statistics South Africa
STG	Standard Treatment Guideline
SWA	Sandspruit Works Association
TBS	Tshwane Bus Services
TEDA	Tshwane Economic Development Agency
TICC	Tshwane International Convention Centre
TLMA	Tshwane Leadership and Management Academy
TUT	Tshwane University of Technology
VAS	Vitamin A supplementation
WWF	Worldwide Fund for Nature
WWTW	Waste water treatment works

1 FOREWORDS, REPORT OF THE AUDIT AND PERFORMANCE COMMITTEE AND EXECUTIVE SUMMARY

This chapter of the report contains the following:

- A Foreword of the Executive Mayor
- B Foreword of the City Manager
- C Report of the Audit and Performance Committee
- D Executive Summary

A FOREWORD OF THE EXECUTIVE MAYOR

Work with us. We are turning this resilient ship around!

This serves as an acknowledgement of the financial situation in which the Tshwane Metropolitan Municipality currently finds itself. The picture as at the publishing of these financials statements is less than desirable but it is not unsalvageable.

As we reflect on the past financial predicaments in which our City finds itself, it is important to heed the lessons these financial statements offer and work vociferously to fix it. Not just for the sake of fixing it but for the purposes of making the City work for its people.

It is also common cause that when an institution is experiencing change there will be a lot of anxiety which requires delicate management.

Achieving these ends will require us to adhere to the two guiding principles of stabilization and revitalization that will help us realize our commitment to better, more efficient service delivery.

The stabilization of this new administration is the critical foundation on which the environment for attracting investment into our beautiful. This specifically speaks to providing stable, reliable, decisive and progressive political and administrative leadership that will inspire confidence in the markets and encourage informal, small to medium and large enterprise to see our City as one that is competitive and complementary to their business.

In so doing this will cultivate the revitalization of our City's economy which is a vital ingredient to generating more revenue that will afford us the opportunity to meaningfully address our priority to create much-needed employment opportunities for the millions of people who so desperately need to be employed in order for them to liberate themselves from the throes of poverty.

The generation of greater revenue for the City will enable us to deliver on our preeminent mandate to deliver better services to our people who have for too long come second to poor political leadership and a waning city economy as reflected by the financial statement contained herein.

Adherence to these critical principles will go a long way to ensuring that I and this administration achieves that which it was elected to do and that is what I recommit myself every day to do.

The new administration that came to power during August of 2016 is not yet perfect. No government ever is. But we are committed to arresting the City's decline and turning it around, moving step by step in the direction of development and progress.

Financial sustainability is key for any institution that wants to pursue a developmental agenda and implement change. Fiscal discipline is the basis for all organisations to effectively realise set objectives. To this effect, this administration has introduced the financial turnaround strategy which is aimed at ensuring strategic sourcing of goods. We have further introduced the open tender and e-procurement systems aimed at curbing unjustified supply chain processes and maladministration.

Achieving these ends will not be attributable to just one individual but it will be a team effort. Recognizing the current financial situation the Metro is in as created by the functionaries of the past, it will be through collective, consultative, grueling but rewarding work to turn the tide of our City's financial standing. The City, working together with all quarters of the society both private and public, is at present on a journey to ensure that the services that our people are entitled to are distributed fairly, justly and equitably and are of a world class quality. Our pledge is to revitalize the economy of the city, attract investments and stabilize the administration and deliver to our people especially the poor.

For without this commitment there is no hope for a better future for our people. It is the realization of this prosperous and rich future for the City of Tshwane that energizes me and the machinery of this City to forge ahead day in and day out not losing sight of Tshwane's deep well of potential to be the buzzing metropolis of opportunity and prosperity it brings with it.

The stabilization and revitalization of our City's economy, I assert, will be attributable to the hard work and commitment on the part of every member of the Mayoral Committee and a great many councillors. It will, in no small measure, be due to the dedication of the many hardworking City officials who view public service as a calling, not just a career. Above all, it will be because we made the choice to unflinchingly prioritize the majority of citizens of Tshwane.

The antithesis of this is the closed, crony society for the politically-connected few. In this system, the state is captured by figures in the governing party to dispense patronage to their political contacts through tenders and 'jobs for pals'. Institutions that promote transparency and accountability are shut down or taken over, because they threaten the survival of this patronage network.

Despite the formative strides made since the conclusion of the August 3 elections, our work to turn the “Tshwane Ship” around are only just beginning and I assure you, the future of this Metropolitan, pregnant with vitality, is a bright one.

Notwithstanding the challenges, our aim is to stabilize the city in overseeing the transition with delicate management.

There remains a lot of concerns which we must address over the short to medium term. These include;

- Implementing the approved macro structure which we are currently engaging on at the Local Labour Forum. The City is also in the process of recruiting competent and qualified senior executives.
- Addressing the invalid commitments made by the previous administration on absorption of contract workers. This has led to a number of riots and strikes from the organized labour in the recent past.
- Speeding up service delivery by redirecting some of our resources to the immediate needs of the communities in order to ensure that we sort out service delivery failures and demonstrate to Tshwane residents that we care and we are will to work with

During our first 100 days in office, we have worked in earnest to steer this giant ship into course. We have established a cable theft task team to focus mainly on the anti-vandalism and against acts of sabotage on our strategic assets. Parallel to this, a comprehensive plan has been developed and a contractor has been appointed to commence upgrading these two sewer treatment plants. In the medium term our approach is to develop infrastructure masterplans which will guide our investment priorities to propel growth.

- Appreciating the myriad problems facing the Capital we have earnestly begun addressing some of the short-comings of the Tshwane government under the baton of the former administration in anticipation of the finalisation of these financial statements.
- As such the newly incumbent administration of Tshwane will take great care to address key priority areas that are hampering service delivery in an effort to revitalise the provision of basic services.
- The strategic objective of the administration is to address the water and sanitation, electricity, transport, safety, health and social development spaces in coordination with the aforementioned priority areas distilled above.
- To this end the City will endeavour to give effect to the recommendations made in these financial statements by:
- Seeking alternative procurement processes and suppliers which are being assessed to provide sustainable, affordable and reliable electricity to our residents. This includes but is not limited to the proposed invalidation of the PEU Smart Meter contract which the City is currently pursuing. This end was not achieved in this financial year due to several issues plaguing our apparatus which this administration is in the process of addressing. This includes:
 - Electricity illegal operations
 - Auditing of metering installations

- Normalisation of prepaid meters
- Rollout of smart meters
- Prepaid meters are installed before energisation of the electrical infrastructure
- Redesigning of electrical network installation
- Substation zone load monitoring: Energy balancing
- Electrification of informal settlements
- Refurbishment of electricity infrastructure
- Conducting a full and comprehensive Traffic Impact Assessment (TIA) for the purposes of understanding the deficiencies in the City's transport infrastructure and systems and how better to modernise the local road network for the benefit of motorists and all people of Tshwane alike.
- Intensifying the recruitment of more police cadets to address the strain our law enforcement agencies (TMPD) currently experience in a bid to make our City safer for the residents who inhabit it. This is evidenced by the new recruits to our cadet programme in January of 2017.
- This government is a caring government and believes that the poorest of the poor in our City need a safety net which all governments ought to provide. In giving effect to this commitment; the City will begin awareness campaigns conducted by province and consultations at the various facilities will attempt to convey the importance of completion of such programme at a facility. Additionally this administration has, since assuming office, begun the important work of auditing the indigent database to ensure that deserving people of our communities are the beneficiaries of the services provided within the ambit of this programme and that the ineligible are removed from this programme so that more of our people can reap the benefits of this indigent database. To date 1275 evaluations have been achieved and 861 have been exited. In Region 4 over 100 indigent households have been evaluated. In Region 5 and 7 we are still in progress of implementation.

In addition to this the City launched Operation Tswelopele in Marabastad. The operation aims to change the perception of Marabastad as unsafe and unsavoury neighbourhood through increased visible policing and the integrated rendering of municipal services. Marabastad is known for muggings, prostitution and armed robberies. The area is also a haven for illicit trade and drug use, despite numerous Metro Police and SAPS vehicles visible in the area.

Over the medium term the plan is to replicate operation Tswelopele Programme to other regions. In partnership with the private sector and property owners we will adopt a block by block and precinct by precinct approach to ensure that the city is safe and liveable. We have further established an anti-hijack unit and a bicycle unit within the Tshwane Metropolitan Police Department in our quest to create a safer city.

Moreover, when we took over there were challenges with regards to the A Re Yeng labour related issues. To date, the City was able to engage with A Re Yeng operators and resolve the issues that were hindering services. It is now common cause that the buses are now operating and rolling out in full capacity.

We developed a Tshwane based water plan in order to contribute to the provinces water restriction and to date the city has exceeded the target set and currently sitting at 24.5% reduction. The city will also be deploying its teams supported by Rand Water to speedily track down and fix water leakages and burst pipes. We are also dealing with up to 50 000 leakages that we are now starting to address in earnest. A response mechanism to enable communities to call and report leakages has been put in place.

Since 2013, the number of informal settlements have grown to 178 and this remains one of the major challenges facing the city. Among these informal settlements is Plastic view which recently burnt, killing five people and displacing roughly 1 500 residents. To date, we have commenced with the administration of all the informal settlements in the city.

This task includes amongst others, shack marking, confirmation of beneficiaries and costing the infrastructure requirements. Our approach is premised on the appreciation that as a city, ours is to administer and manage the entire urban environment including informal settlements. Henceforth our approach will be about site and services, we will provide all the infrastructure and formalize informal settlements while the construction of top structure pipeline is being attended to through a partnership with Gauteng provincial government and other stakeholders. The City of Tshwane will also accelerate the handing over of title deeds with a view of expanding access to housing opportunities, such as access to equity and to be part of this society we are creating.

Far too many people still live in poverty, there is still a huge divide between the rich and the poor. There are still people living without access to basic services. There is still much we can do to improve their lives.

It is for them, the people of Tshwane that we will steadfastly commit ourselves every day to ensure that that the City works.

I would like to extend my gratitude to all who supports our ideologies and developmental agenda. Your active participation is what we need to make Tshwane a city to be reckoned with.

Together, let's work. Together, let's go.

Forever forward, never backwards.

A Re Yeng!

Cllr Solly Msimanga
EXECUTIVE MAYOR

INTRODUCTION

The 2015/16 Annual Report of the City of Tshwane reflect the achievement of the City's and thus provides a summary of the year under review. The year under review was significant as it was the financial year preceding the momentous 2016 local government elections that took place in August 2016.

It is also common cause that during the 2015/16 financial the country and the City was facing economic downturn which undeniable impacted on a number of areas pertaining to services delivery. Despite the financial constraints the City faced through its commitment to entrench its reputation as a well-governed, caring and inclusive city, it successfully attained an unqualified audit with no matters of emphasis on the Audit of Predetermined Objectives.

In addressing the triple challenges of unemployment, poverty and inequality, the City aims to strengthen its competitiveness, promote good governance and entrench governance oversight, obtain a clean audit, and focus on strategic risk management and mitigation.

STRATEGIC VISION AND PERFORMANCE

The City's performance is assessed against its strategic objectives which are articulated in the IDP and Service Delivery and Budget Implementation Plan. Overall performance against stated objectives progressed well, with many citizens receiving tangible benefits through City initiatives and programmes.

KEY ACHIEVEMENTS, STRATEGIC AND CATALYTIC PROJECTS

Catalytic projects are projects intended to drive and catalyse the City's developmental agenda. These include Tshwane House, the Tshwane Rapid Transit System (A Re Yeng), the African Gateway, the West Capital Precinct Development, Symbio City, the Government Boulevard, the African Union and Tshwane International Convention Centre (AU and TICC), the New City in the East related projects. All of these projects are at various stages of progress and are being regularly monitored. The Tshwane House in particular is close to completion and is planned to be occupied in 2017.

Free Wi-Fi, a truly ground breaking project initiated by the City of Tshwane and catching on in the rest of the world, has been a hallmark of the City's administration of the last few years. The City installed a total of 128 free Wi-Fi sites during the financial year under review.

Furthermore, progress has also been made in other City programmes, most notably strategic land parcels, the development of parks in wards, housing delivery, formalisation of informal settlements, upgrading of hostels, and the provision of refuse bins in regions.

Since the nature of risk management entails constant review of the mitigation actions deployed to manage strategic risk, the identified risks will be annually reviewed to assess the efficacy of their management going forward.

Service Delivery Outcomes:

Employment creation

The City has made enormous strides in creating work opportunities for unemployed and unskilled Tshwane residents during the financial year, with a specific focus on the unemployed youth. The Expanded Public Works Programme (EPWP) and Tshepo 10 000 initiatives were the key vehicles used to address the challenges of unemployment and lack of economic opportunities in Tshwane. Through these targeted interventions, the City created short-term labour-intensive work opportunities and opportunities for small business development. For the 2015/16 year, the City committed to create 60 000 EPWP work opportunities, and managed to achieve 30 369 of that target verified by Internal Audit.

After winning the EPWP Kamoso awards in the 2014/15 financial year, the City won the best Environment and Culture Sector project through the City's Mayoral Programme Youth Greening project ("Vat Alles") – the awarding ceremony was held in November 2015. The City's Expanded Public Works Programme (EPWP) has done well and has been receiving external recognition throughout.

The National Department of Public Works acknowledged the City as the best in creating sustainable work opportunities (Full Time Equivalent). As a result, the City received the highest incentive grant for best performing municipality in the country.

Quality basic services

Despite the lingering economic challenges experienced throughout the world, the City of Tshwane continued implementing its developmental agenda, with construction vehicles and road works being a key characteristic of the year under review. At times, the City felt like a construction site, a necessary but temporary displeasure for a brighter future. Much has been achieved during the year, but more still needs to be done before we can switch from an overall investment mode to a mode of maintaining and improving the investments made.

As part of improving the quality of life of the citizens of Tshwane, the City continues to ensure the provision of quality basic services to its residents.

These include –

- safer neighbourhoods;
- provision of plastic bags to informal areas;
- provision of sanitation services to households;
- electrification of informal settlements;
- installation of street lights;
- upgrading of water pipelines;
- upgrading of roads and storm water systems;
- formalisation of informal settlements;
- cleaning of parks and open spaces;
- functional traffic signals;
- efficient, safe and affordable public transport; and
- the facilitation of the provision of housing opportunities.

The City of Tshwane achieved an unqualified opinion on the Audit of Predetermined Objectives for 2015/16 fiscal year. The City achieved 70,83% of the Integrated Development Plan (IDP) targets and 74,36% of planned targets on the Service Delivery Budget and Implementation Plan.

- 128 informal settlements were provided with access to rudimentary water services;
- 4 502 additional households were provided with full water meter connections;
- 2 370 additional households were provided with a sanitation service;
- 2 421 new electricity connections were provided in formalized areas;
- 3 056 completed houses were electrified;
- 59 informal settlements had access to rudimentary sanitation services;
- All informal settlements were provided with weekly waste removal services;
- 2,96km of TRT busway lanes were constructed;
- 37,863km of roads were added to the total length of roads provided in proclaimed areas;
- 36,464km of stormwater drainage systems were provided to the full service levels;
- 6 informal settlements were formalized;
- 30 community residential units were developed;
- 30 369 new income earning opportunities were provided through the EPWP programme;
- R2.250Bn of investment was facilitated by the City;
- 5 138 SMME and entrepreneurs were supported by the City;

- All clinics implemented the PMTCT programme;
- 3 054 new indigent households were registered in order to provide for free basic services to the poor;
- 1 new library was provided and 2 recreational facilities were upgraded;
- Fire, rescue and specialised humanitarian incidents were reduced through the initiatives of Emergency Services, and all reported incidents were responded to, 9 592 in total;
- The Tshwane Metro police implemented a total of 3 706 crimes, by-law policing and road policing interventions and initiatives;
- 62% of employees appointed were from previously disadvantaged groups; and
- 128 new Wi-Fi sites were deployed.

The unqualified audit opinion on Predetermined Objectives was achieved by strengthening internal controls and measures in the institution to ensure accountability, reliability of reporting and usefulness of planning. The City implemented MLAP (Management Letter Action Plan) initiatives that monitored, coached, and guided all relevant role-players on a constant basis, and the administration took responsibility for making systematic improvements, and for sustaining them. We hope to continue on this trend to remain as a City of Excellence.

KEY STRATEGIC RISKS AND CHALLENGES

The top five strategic risks of the municipality have been identified and managed as indicated below.

- ***Infrastructure Sustainability*** - The City implemented an approved integrated maintenance and new development plan, as part of an Infrastructure master plan to mitigate the risk of ageing and inadequate sustainable infrastructure.
- ***Financial Sustainability*** - Revenue collection strategy and credit control policies inclusive of cut-off processes were intensified to deal with financial sustainability risk.
- ***Community unrest*** was one of the identified risks which was mitigated through various initiatives such as implementation of Norms and Standard, Several Izimbizos, new Digital Izimbizos (on -line conversation platform) with the community on Twitter, enhance economic opportunities through Tshepo 10 000 and community participation during IDP and Budget process.
- ***Delay*** on timeous delivering of commitments and projects was seen as one of the risks that was supposed to be addressed, to this effect the City Implemented non-negotiables.
- ***Fraud, bribery and corruption*** - The implementation of fraud hotline, Code of Conduct, Anti-Fraud and Corruption workshops for employees and communities were intensified to mitigate against fraud, bribery and corruption.

FINANCIAL MANAGEMENT

Ever increasingly more robust measures have been put in place to ensure tighter financial management within the City of Tshwane. E-procurement, for example, was in its planning phase for the year under review and should be implemented in the next financial year. Financial management systems were also reviewed in the year that was, with necessary incremental upgrading of systems having commenced and set to continue into the future.

The liquidity position of the City and the group over-all is still of concern. Operating revenue was at R28 016 344 000,00 compared to R 25 714 192 000,00 in the 2014/15 financial year. However, the actual net expenditure of the Municipality compared to the adjustment budget represented 106,43%, an over-expenditure of 6,43%. The over-expenditure was impacted on by depreciation expenses, contribution to bad debt provision and contracted services.

The financial ratios indicate that electricity distribution losses were at 19.28%, above the norm of between 7%-10%. 93% of the capital budget was spent resulting in the service delivery achievements indicated above.

GOVERNANCE

Through its municipal entities (Housing Company Tshwane, Sandspruit Works Association and the Tshwane Economic Development Agency), the City has extended and improved its ability to reach its strategic objectives. The City and its entities enjoy a single administration for audit, risk and performance committees, yielding improved auditing results for the 2015/2016 financial year.

In order to ensure alignment of the City's vision with the activities of municipal entities, respective chief executive officers are obligated to participate in a number of City forums. These include top management meetings, meetings of the Mayoral Committee and its Clusters, meetings of the Municipal Public Accounts Committee, and participation in the Audit and Performance Committee and the respective oversight committees.

All three municipal entities are required to report regularly on their progress against business plans and service delivery agreement obligations. The Shareholder Unit has played a key role to ensure that municipal entities perform key administrative and governance functions, are accountable to City of Tshwane structures and that all entities maintain compliance with relevant applicable legislation and contractual obligations.

AUDIT OUTCOMES

For the fifth year in a row, the Auditor-General of South Africa (AGSA) has provided the City of Tshwane with an unqualified audit report for the year under review, an achievement the City celebrates.

CONCLUSION

While a lot of progress has been made in resolving developmental challenges, we acknowledge that much work needs to be done to make Tshwane a truly Capital City of Excellence.

I would also like to extend my heartfelt thanks to the Council, Mayoral Committee, the Audit and Performance Committee and all dedicated officials who worked tirelessly to improve the lives of the people of Tshwane.

MS LINDIWE KWELE

ACTING CITY MANAGER

1 INTRODUCTION

The Audit and Performance Committee (Committee) is an independent committee of the City of Tshwane Metropolitan Municipality and its municipal entities (the City) and was established in terms of section 166(1) of the Local Government: Municipal Finance Management Act (MFMA), the Local Government: Municipal Planning and Performance Management Regulations and through a Council Resolution. This report reflects on the work of the Committee for the reporting period ended 30 June 2016.

2 TERMS OF REFERENCE AND EFFECTIVENESS

Besides the abovementioned legislation, the Committee functions per its Terms of Reference which were reviewed and approved by Council on 27 August 2015. The mandate of the Committee as outlined in its Terms of Reference is to provide governance oversight over the financial and performance reporting of the City. The Committee conducted its affairs in compliance with this mandate and has discharged its roles and responsibilities accordingly.

The effectiveness of the Committee and its individual members is assessed on an annual basis. For the year under review, all members were considered competent and they contributed meaningfully to the evaluation and interrogation of the various reports (including the City's Risk Committee reports) submitted to it.

3 COMPOSITION, MEETINGS AND ATTENDANCE

All appointed members are external professionals independent of the political and administrative structures of the City. Mr. P. S. Fourie acted as Chairperson from 01 July 2015 to 27 August 2015. Mr W. E. Huma was appointed as Chairperson with effect from 27 August 2015.

The Committee had fourteen (14) meetings consisting of ordinary and special meetings that focused on audit assurance, performance and risk management for the City of Tshwane and its Municipal Entities. Member attendance of these meetings was as below:

:

Table 3: Attendance – APC meetings

Members	Total meetings attended for City of Tshwane	Total meetings attended for Municipal Entities
Huma WE (Chairperson)	8/11	2/3
Fourie, PS	10/11	3/3
Gounden, S	8/11	2/3
Makinta, SM (Ms.)	7/11	2/3
Mnisi, PR	9/11	2/3
Mzizi, P (Ms.)	7/11	2/3
Noxaka, P (Ms.)	10/11	3/3
Rangongo, MG	10/11	3/3
Sebeelo, MK	9/11	3/3
Sebesho, L (Ms.)	9/11	2/3

There were six properly constituted meetings of the Risk Committee during the 2015/16 reporting year. Member attendance of these meetings was as outlined below:

Table 4: Attendance of Risk Committee meetings

Members	Total meetings attended
Seebelo, MK (Chairperson)	6/6
Mnisi, PR	6/6
Mzizi, P (Ms)	6/6
Rangongo, MG	6/6

4 ROLES AND RESPONSIBILITIES

In line with the roles and responsibilities set out in its terms of reference, the committee reports as follows:

A Effectiveness of Internal Controls

The Committee has overseen Internal Audit's written assessment of the effectiveness of the City's systems of internal control, including internal financial controls. This written assessment formed the basis for the Committee's recommendations to Council which enabled Council to report thereon in the City's Consolidated Annual Report.

Per the reports provided by Management, Internal Audit and the External Audit, the Committee is of the view that the City's internal control environment requires improvement as some matters reported in prior reporting

periods have not been satisfactorily addressed. Management gave assurance that corrective action will be implemented in respect of all internal control weaknesses highlighted and the Committee will continue to monitor these.

The Committee considered a draft Combined Assurance Framework developed by leading consultant on behalf of the City. This framework is due for finalization and approval by the Committee in the first quarter of the 2016/7 year.

B Compliance with Laws and Regulations

The Committee took cognisance of the City's systems for detecting contraventions with laws and regulations and Management was urged to continue its efforts to improve the City's adherence to applicable laws and regulations. Other than specific contraventions reported by Internal Audit and the Auditor General South Africa (AGSA), compliance reports provided by Management lacked particularity and details to enable the Committee to exercise its oversight and advisory role.

C Financial Statements and Accounting Practices

The Committee reviewed the financial statements for the reporting year and was satisfied that they were appropriate and complied with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP), the requirements of the Local Government: Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa (Act 1 of 2015) (DoRA).

After interrogating the Acting Group Chief Financial Officer's Report on the financial sustainability of the City, the Committee took cognisance of the consolidated operating results and the steps taken by the City to manage its liquidity requirements. The Committee noted the material losses resulting mainly from unaccounted for water and electricity and the impairment of receivables. These areas remain areas of concern that require focused attention. The Committee throughout this reporting period emphasized the need for an effective strategy to manage the high number of defaulting consumers. In addition the Committee again expressed the need for an effective strategy to properly manage and account for the City's portfolio of property, plant and equipment. The significant uncertainties arising from legal claims against the City were again flagged as a concern.

D Performance Management

The Committee reviewed the City's performance during the year through the quarterly reports presented to it. The progress of initiatives and projects undertaken to deliver services to the City's residents were duly noted. The Committee also considered the Annual Report in order to form an opinion on the City's annual overall

performance. The achievement of 70.83%% of the City's IDP targets and 74.36% of those in the SDBIP was duly acknowledged.

The actions taken to improve the City's performance management framework through a comprehensive plan that focuses on addressing reliability and usefulness issues raised in the previous year were noted. Although positive progress was acknowledged, the Committee emphasised the need to improve management's performance accountability so that performance targets are achieved which should invariably improve the quality of life of the City's residents.

E Internal Audit

The Committee evaluated the performance of Internal Audit and noted the ongoing efforts to improve the function's ability to discharge its responsibilities. An internal Quality Assurance Review (QAR) was commissioned during the year. The QAR was conducted in partnership with National Treasury and the results of the review are expected in the next financial year.

The Committee supported efforts to enhance the function's capacity in 2015/16 and believes that this will contribute to more effective and responsive actions to address the City's internal control challenges.

F Risk Management

Through its Risk sub-committee, the Committee considered the City's processes and systems of risk management and found them to not have been entirely effective and highlighted the impact that this has on Internal Audit's efficiency and effectiveness. The Committee noted the initiatives on Business Continuity Management, Insurance Management, Occupational, Health and Safety, Risk Appetite Framework and Risk Management Information System to enhance and integrate the City's system of risk management into the business processes and ensure that an appropriate risk culture is accelerated and embedded.

G External Audit

The Committee satisfied itself that the staff members of the Auditor-General South Africa (AGSA) were independent of the City. The Committee concurs with and accepts the conclusions and the audit opinion of the AGSA on the consolidated annual financial statements, performance information and recommends that the consolidated financial statements and performance information be read together with the report of the AGSA.

H Quality of In-year Management Reports

It should be noted that the Committee is one element of the combined assurance framework and therefore relies on the reports of management as well as the internal and external auditors in arriving at its conclusions. The Committee was not always satisfied with the timing, content and quality of some quarterly reports presented to it during the year under review. In addition, the Committee was concerned about the non-submission throughout the reporting period of Governance reports covering the functions of Human Resources and of Compliance with Laws and Regulations.

5 APPRECIATION

The Committee would like to express its appreciation to the Accounting Officer, Management, Internal Audit, the AGSA and all other role players for the robust and constructive engagements held during the year under review.

WE Huma

Chairperson: Audit and Performance Committee

December 2016

1 INTRODUCTION

The Annual Performance Report (APR) is a significant report of a municipality that is required by legislation to be submitted to the Auditor-General of South Africa (AG) for purposes of external audit. The APR excludes the annual financial statements, which are submitted separately to the AGSA for audit. Similarly, municipal entities submit their annual financial statements to the AGSA directly.

Section 46 of the Municipal Systems Act (MSA) requires municipalities to prepare for each financial year a performance report, which should form part of the municipality's annual report in terms of Chapter 12 of the MFMA. The APR should focus on performance against set targets for the financial year in comparison with the previous financial year, and should include measures taken to improve performance.

Section 121 of the Municipal Finance Management Act (MFMA) requires every municipality and every municipal entity to prepare an annual report. The annual report must deal with the annual report of the municipality and of any municipal entity, within nine months after the end of the financial year. Section 121(3) requires the annual report to include the annual financial statements of the municipality as submitted to the AGSA for audit in terms of section 126(1), the annual performance report of the municipality prepared by the municipality in terms of section 46 of the MSA, and the Auditor-General's report in terms of section 126(3) of the MFMA on the financial statements.

This report consists predominantly of the annual performance report component of the annual report, and is prepared for purposes of submission by the Accounting Officer to the AGSA for purposes of Audit of Predetermined Objectives (AOPO) in terms of the Public Audit Act. The consolidated Annual Financial Statements (AFS) and the report of the AGSA will be included in the Annual Report to be tabled at Council in terms of section 121 of the MFMA, within nine months after the end of the financial year (by January 2017).

2 OVERVIEW OF CONTENTS

The executive summary provides an overview of the Annual Performance Report for the City of Tshwane. It is guided by National Treasury's MFMA Circular 63. Although the MFMA requires the accounting officers of municipal entities to directly submit to the AG their AFS and performance information for purposes of audit, municipal entity performance information has also been included in this report for purposes of completeness, although the municipal entity targets do not directly impact on the targets of the City of Tshwane. The three municipal entities are: Housing Company Tshwane (HCT), Tshwane Economic Development Agency (TEDA) and Sandspruit Works Association (SWA).

STRATEGIC CONTEXT

The long-term vision of the City of Tshwane is:

In 2055, Tshwane is a liveable, resilient and inclusive city whose citizens enjoy a high quality of life, have access to social, economic and enhanced political freedoms, and are partners in the development of the African capital city of excellence.

Service delivery in Tshwane is aligned with Tshwane Vision 2055 and the Integrated Development Plan (IDP).

On 27 August 2013, the Council approved Tshwane Vision 2055, which sets out the City's vision and long-term strategic agenda.

The vision sets out six outcomes that need to be achieved over the next four decades. These are:

- Outcome 1: A resilient and resource-efficient city
- Outcome 2: A growing economy that is inclusive, diversified and competitive
- Outcome 3: A city with quality infrastructure development that supports liveable communities
- Outcome 4: An equitable city that supports happiness, social cohesion, safety and healthy citizens
- Outcome 5: An African capital city that promotes excellence and innovative governance solutions
- Outcome 6: South Africa's capital city with active citizens who are engaging, aware of their rights and present themselves as partners in tackling societal challenges

MUNICIPAL MANAGER'S OVERVIEW

This section provides a synopsis on service delivery and organisational development for the 2015/16 financial year. The final report submitted to Council in January 2017 will include an overview of the financial performance of the City and of the report of the AGSA for 2015/16.

1 SERVICE DELIVERY OVERVIEW

Chapter 3 of this report contains detailed service delivery reporting for both the City of Tshwane and its three entities. The performance of the City of Tshwane against its IDP and SDBIP targets, and of the three municipal entities against their business plans, may be found in component I and J of this report.

Altogether 74,36% (29 out of 39 targets) of the SDBIP targets for the 2015/16 year and 70,83% (17 out of 24 targets) of the IDP targets were achieved. The following outlines the key achievements:

- 128 informal settlements were provided with access to rudimentary water services.

- 4 502 households were provided with a full water meter connection.
- 2 370 households were provided with a sanitation service.
- 2 421 electricity connections were provided in formalised areas.
- 3 056 completed houses were electrified to eradicate backlogs.
- 59 informal settlements were provided with access to rudimentary sanitation services.
- 134 informal settlements were provided with weekly minimal waste removal services.
- 436 021 households in formal areas were provided with weekly kerbside waste removal.
- 2,96 km of Tshwane rapid transit lanes was constructed.
- 37,863 km of roads in proclaimed areas was provided to the full level of service.
- 36,464 km of storm water drainage in proclaimed areas was provided to the full level of service.
- 6 informal settlements were formalised.
- 30 community residential units were developed.
- 30 369 new income-earning opportunities were created through the EPWP.
- R2,25 billion of investment in the city was facilitated.
- Training was provided to 282 Tshepo 10 000 cooperatives.
- Support was provided to 5 138 SMMEs and entrepreneurs.
- 100% of PHC fixed clinics implemented the PMTCT programme.
- 64,464% of children under 1 year were immunised at Tshwane clinics.
- 98,845% of pregnant women in Tshwane were tested for HIV.
- 3 054 new households were registered in the City of Tshwane indigent register.
- 28 parks were developed in line with the Two Parks per Ward Programme.
- 2 recreational facilities were upgraded.
- 128 Wi-Fi sites were deployed.

2 ORGANISATIONAL DEVELOPMENT OVERVIEW

The City of Tshwane had 20 076 employees in the 2015/16 year. Of these, 19 985 were permanent employees, who were distributed as follows:

- 5 762 African females
- 155 coloured females
- 60 Indian females
- 966 white females
- 11 136 African males
- 195 coloured males
- 61 Indian males
- 1 650 white males

A total of 462 of the 668 positions advertised were filled during the financial year. The 1,05% of employees who were recognised as having a disability constituted 205 employees, of which 63 were female and 147 were from the HDI group.

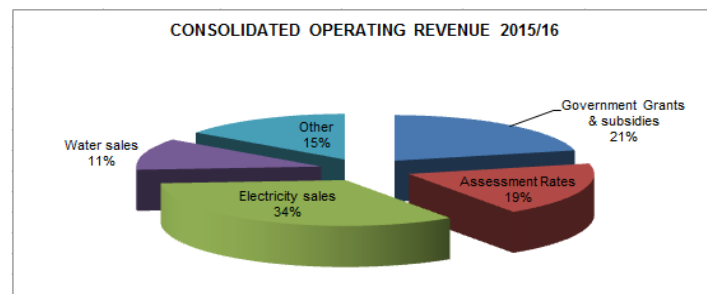
OHS compliance over the past few years improved. Altogether 769 accidents were recorded and investigated compared to the 856 incidents in 2014/15.

The e-leave system went live, with 90% trained on its use. The total number of sick leave days taken declined from 211 296 in 2014/15 to 46 358 in 2015/16. Training was provided to 8 970 officials in the financial year to improve their skills levels for purposes of efficient and effective work practices.

3 FINANCIAL OVERVIEW

In terms of the operating results for the Municipality, the revenue represented 96,01% of the total adjustment budget at R29 182 452 000,00. The actual net expenditure of the Municipality compared to the adjustment budget represented 106,43%, at R26 030 519 000,00.

The consolidated operating revenue is represented in the figure below.



Actual expenditure on remuneration for the Municipality increased to 27,11% as compared to the 2014/15 financial year, and to 27,63% for the Group.

The financial ratios of the Municipality and the Group are set out in chapter 4.1 of this report. Of note are the following-

- capital expenditure to total expenditure for the Group is 14,42%;
- the collection rate is 97,81%;
- the cost coverage ratio is 0.51;
- the liquidity ratio 7.73;
- the debt to cash ratio is 2.77; and
- creditors payment period is 57 days.

The Municipality's original approved capital expenditure budget for 2015/16 amounted to R3 856 566 482, which was amended to R3 995 193 296 in total by means of an adjustments budget approved by Council on 24 March 2016. Actual expenditure amounted to R3 968 594 186 (93% of the adjusted budget).

For the Municipality, long-term debt (external loans and lease liabilities) increased from R10 260 billion to R10 942 billion (R682 100 million increase) during the period under review.

4 AUDIT OVERVIEW

The City of Tshwane achieved an unqualified audit opinion for the 2015/16 financial year. An unqualified audit opinion was also achieved for the Audit of Predetermined Objectives (AoPO). The unqualified audit opinion reflects on the effectiveness of the implementation of the Combined Assurance Model (CAM) in the City of Tshwane. There are still challenges raised as findings by the AGSA, especially in the areas of asset management and supply chain management. The City will continue to tighten its controls in order to ensure that matters of emphasis and other findings raised by the AGSA are addressed.

MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

TSHWANE: THE CAPITAL CITY OF SOUTH AFRICA

Tshwane is the capital city of the Republic of South Africa and a recognised gateway to Africa. As a capital city, it is home to corporate headquarters, financial and business services and manufacturing, and high-order public services, such as national departments, universities and major hospitals. More than 30 companies listed on the Johannesburg Stock Exchange (JSE), national government departments and three universities are located in Tshwane. It hosts more than 130 foreign embassies and missions, which give it the largest concentration of diplomatic and foreign missions in the world after Washington DC in the United States of America.

According to the City of Tshwane IDP, cities are the driving force for economic development and social progress. In South Africa, it is in the space of local government that a large number of rights enshrined in the Constitution are realised through investment in infrastructure and developmental programmes. Tshwane, like other capital cities around the globe, is a major contributor to national growth and development. As a capital city, Tshwane has recognised the need, and through its plans and initiatives, accepted the challenge to massively grow the economy to impact economic, developmental and social change, and also to fulfil the National Development Plan's specific targets around addressing poverty.

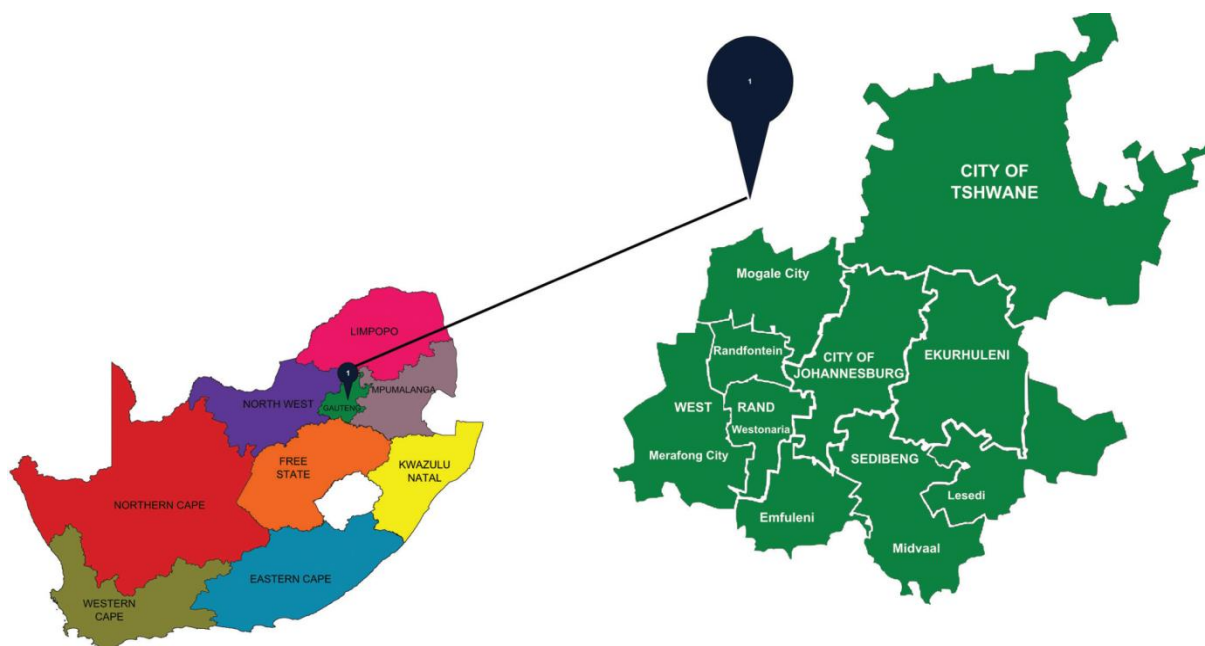
LOCATION AND EXPANSE

Tshwane is located in Gauteng Province and is bordered by Limpopo Province to the north, Mpumalanga Province to the east, the Ekurhuleni and City of Johannesburg Metropolitan Municipalities to the south and the North West Province to the west.

Tshwane is the largest of the three metropolitan municipalities in Gauteng in terms of geographical expanse. It occupies 6 345 square kilometres, which some sources¹ indicate makes it the third-largest municipality in the world. According to the IDP, whilst this offers opportunities for a vast number of land uses and development, it poses challenges in terms of infrastructure development for basic services such as water, sanitation, electricity and social facilities. In addition, the IDP raises concerns that, due to the vastness of the area, urban sprawl is an additional concern, placing pressure on infrastructure provision.

As at the end of June 2016, Tshwane covered just more than 33% of the total land area of Gauteng's 19 055 square kilometres and had seven administrative regions, 105 wards and 210 councillors. After the local government elections on 3 August 2016 there were 107 wards and 214 councillors. The map below depicts the location of Tshwane in Gauteng.

Figure 1: Location of Tshwane



¹ City of Tshwane IDP 2016–2021

DEMOGRAPHICS

The current population of Gauteng Province is estimated at 13,1 million, which is 24,4% of South Africa's total population of 53,7 million. Tshwane's share of the Gauteng population is approximately 3,1 million residents.

The following table provides a comparison across the municipalities in Gauteng.

Table 5: Population comparison across municipalities in Gauteng

Name	Area (km ²)	Population 2013	Population 2014
Johannesburg	1 648	4 716 564	4 786 431
Ekurhuleni	1 928	3 299 497	3 371 728
Tshwane	6 345	3 125 607	3 152 815
Sedibeng	4 185	939 453	963 953
West Rand	4 095	833 696	839 905

Source: IHS Global Insight (2016)

In addition, the table below provides an approximate breakdown of the population per the administrative regions of Tshwane, clearly indicating that the population of Tshwane is dispersed across the vast expanse of the municipal area, raising in itself challenges for service delivery, infrastructure provision and strategies to grow the economy.

Table 6: Tshwane population distribution by planning region

Region	Population	Percentage of population
1	867 548	27.52%
2	359 715	11.41%
3	649 831	20.61%
4	409 831	13.00%
5	98 504	3.12%
6	641 388	20.34%
7	125 998	4.00%
Total	3 152 815	100.00%

Source: IHS Global Insight (2016)

The largest population group in Tshwane is African and it accounts for approximately 77,6% of the population. This is followed by the white population group, which accounts for approximately 18,4%, and the coloured

population group, which accounts for approximately 2,03%. The smallest population group is the Asian population group, which accounts for only 1,89% of Tshwane's population.

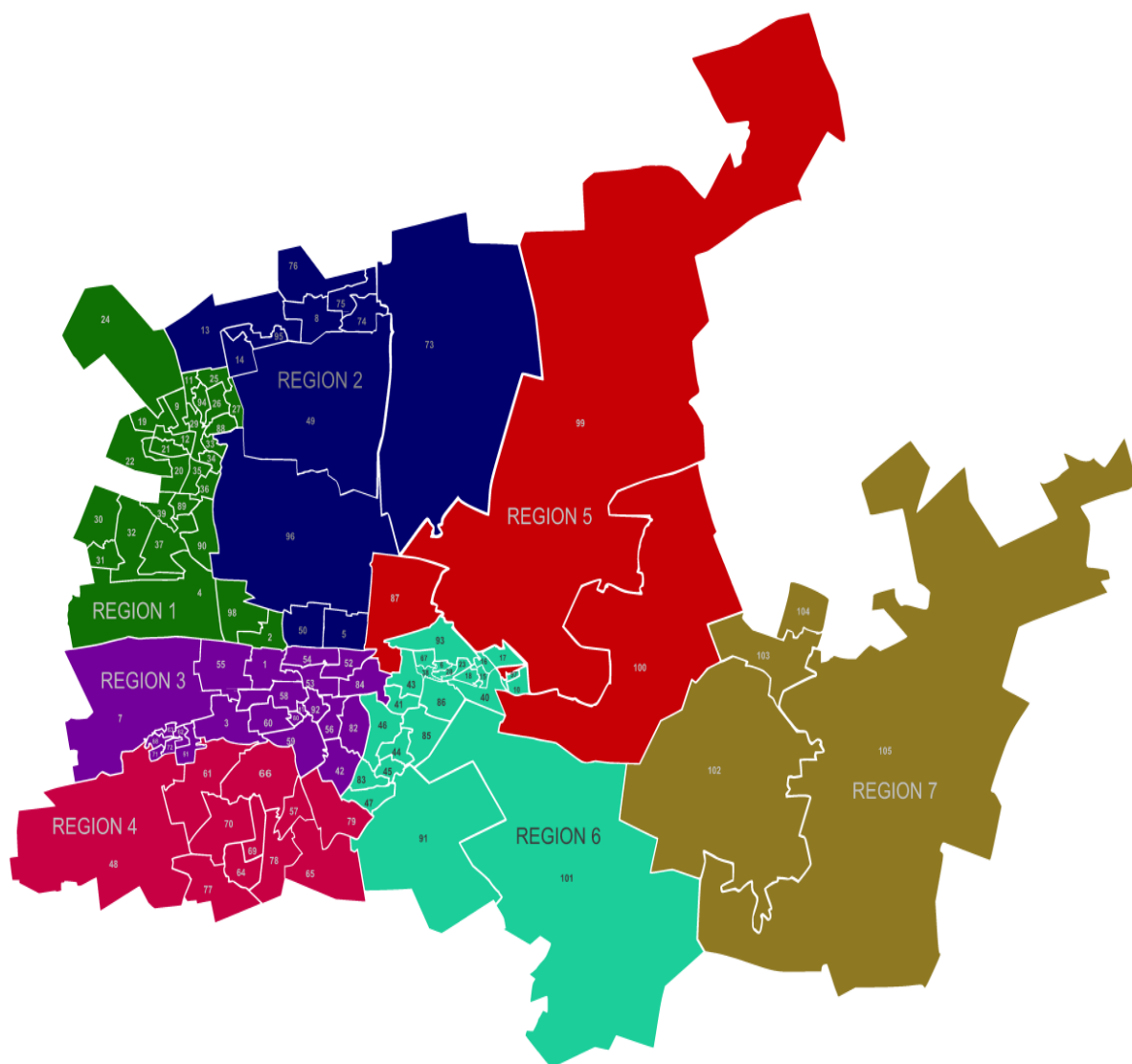
Approximately 61% of Tshwane's population is younger than 35, with 35% being between the ages of 15 to 34. Senior residents (65+ age group) of Tshwane only account for approximately 6% of the total population. On average, the gender breakdown is evenly distributed across all age bands.

Tshwane, being South Africa's capital city and having the largest concentration of higher education institutions in the country, boasts a relatively better educated population than other metropolitan municipalities in South Africa. The percentage of persons with no schooling or Grade 2 represents a marginally small part of the city's population, at approximately 3,9% in 2014. Tshwane has a large concentration of persons with matric and post-matric qualifications, which is currently recorded at 57,3%.

On average, 33% of the population in each region has attained a matric qualification. Region 4 has the highest concentration of post-matric qualifications, accounting for approximately 37%, while Region 1 has the lowest concentration, accounting for approximately 16% of the population. Region 4 consists of the more affluent areas in Tshwane, such as Centurion and Irene, while Region 1 is the opposite (though with a large concentration of agricultural holdings and industrial zones).

The following map reflects the seven administrative regions across which the population of Tshwane is spread.

Figure 2: City of Tshwane administrative regions



THE ECONOMY OF TSHWANE

The City of Tshwane is the fourth-biggest municipality in South Africa and the second-biggest in Gauteng in terms of gross value added by region, totalling R243,4 billion. In 2014, the City of Tshwane contributed 25% to the provincial economy and 9% to South Africa's economic growth. According to Global Insight, the economic output of Tshwane has expanded at an annual average of 4% per annum over the last five years, outstripping the national GDP growth average by at least one percentage point between 2010 and 2014. Overall, no city in the Gauteng City Region outperformed the growth rates recorded for Tshwane in the last five years.

Tshwane has a diversified economy. Overall, the significant sectors of growth in Tshwane include government, social and personal services, construction, trade, transport and finance, as well as the green economy, research, innovation and development. These represent crucial multidimensional and dynamic sectors of growth.

Region 3 is relatively dominant in Tshwane in terms of a 32% Gross Value Add (GVA) contribution, although this has fallen from 34,3% in 2014. Region 6 is the second-largest contributor at 23%. Regions 5 and 7 are the regions with the lowest contributions to Tshwane's economy; the regions contributed 2% and 3% respectively.

The employment level in Tshwane increased from about 1,02 million people in 2011 to 1,12 million in 2014. The unemployment rate in 2014 was 21,1%.

The number of people in Tshwane living below the poverty line increased since 2011, and is confirmed by the growth in the number of registered indigent households on the current indigent register. To reduce deprivation and poverty, the City has channelled resources to areas where people are living below the poverty line, such as through the allocation of capital funding for social infrastructure to deprived areas in order to ensure that all settlements have access to basic and social services.

2 GOVERNANCE

INTRODUCTION

An accountable government is one that is transparent and accessible. This chapter reports on governance by the City of Tshwane. The following key aspects are reported on:

- Political and administrative governance mechanisms
- Intergovernmental relations
- Public accountability and participation
- Corporate governance

1 POLITICAL GOVERNANCE

The governance model comprises the legislature (made up of the Speaker of Council, the Chief Whip and section 79 portfolio and standing committees), the executive (consisting of the Executive Mayor and the Members of the Mayoral Committee (MMCs)) and the administration (led by the City Manager). The intention of the model is to ensure that the City executes its functions through the leadership of the Executive Mayor while the legislature oversees the activities of the executive for transparency and accountability.

LEGISLATURE

The legislature is made up of the Council, the Speaker of Council, the Chief Whip and two sets of Council committees, namely section 79 portfolio committees and standing committees.

COUNCIL

Council consisted of 210 elected councillors, of which 105 were ward councillors and the remainder proportional representative (PR) councillors. Since August 2015, the Council has consisted of 214 councillors of which 107 are ward councillors.

The role of Council, in line with the Municipal Systems Act, 2000 (Act 32 of 2000), is to engage in meaningful discussion on matters of development related to Tshwane. The key functions of Council are as follows:

- Approving legislation

- Overseeing the planned and implemented interventions of the City of Tshwane
- Ensuring community and stakeholder participation

Council is responsible for the approval of by-laws, IDPs, budgets and tariffs. Through its various committees, it monitors and scrutinises delivery as carried out by the City of Tshwane.

POLITICAL LEADERSHIP OF THE CITY OF TSHWANE

The top three political leadership positions for the term were as follows:

Executive Mayor Cllr Kgosientso Ramokgopa

Speaker Cllr AWN Mosupye-Letsholo

Chief Whip Cllr Jabulani Mabona

Table 7: Council seat allocation

SUMMARY OF COUNCIL SEAT ALLOCATION					
	PARTY		WARD SEATS	PR SEATS	TOTAL SEATS
1.	African Christian Democratic Party	ACDP	0	1	1
2.	African National Congress	ANC	68	50	118
3.	African People's Convention	APC	0	1	1
4.	Azanian People's Organisation	AZAPO	0	1	1
5.	Congress of the People	COPE	0	2	2
6.	Democratic Alliance	DA	37	45	82
7.	Pan Africanist Congress of Azania	PAC	0	1	1
8.	Freedom Front Plus	FF+	0	4	4
	TOTAL SEATS		105	105	210

PORTFOLIO COMMITTEES OF COUNCIL

As part of the core of this Council's model of and commitment to the separation of powers, 16 section 79 oversight and/or standing committees were established and adopted by Council. They had the following responsibilities:

- Scrutinising reports referred to them by Council and advising accordingly
- Overseeing the performance of the executive committee and departments on behalf of Council
- Providing an advisory legislative role
- Overseeing the implementation of the IDP
- Overseeing the monthly performance report on the SDBIP of departments
- Overseeing compliance in terms of all legislative requirements

Table 8: Chairpersons of section 79 committees in the City of Tshwane

Name	Committee
Samuel Mashola	Community Safety
Refiloe Kekana	Finance
Nomthandazo Maseko	Sport and Recreation
Aaron Maluleka	Economic Development and Planning
Ryder Mokgothadi	Infrastructure
Selopi Tlometsane	Agriculture and Environment
Joe Mkhize	Corporate and Shared Services
Conference Ntuli	Roads and Transport
Derick Mosito	Housing and Human Settlement
Alphina Ndhlovana	Health and Social Development
Johnny Mohlala	Integrated Development Planning

STANDING COMMITTEES

Standing committees are permanent committees established to address Council-related matters. Some decision-making powers are delegated to them, and they are required to submit reports to Council. Councillors chair all standing committees.

The standing committees and their chairpersons are as follows:

Table 9: Chairpersons of standing committees of Council

Chairperson	Committee
Oscar Mathafa	Municipal Performance Audit Committee
Dolly Ledwaba	Civilian and Oversight Committee
Noki Makitla	Petitions Committee
Joan Muller	Rules and Ethics Committee
Sizwe Mthethwa	Public Places and Street Names Committee

OVERSIGHT COMMITTEES

The City of Tshwane adopted a governance model that ensures a clear separation of powers and functions between Council (legislature) and the executive in order to enhance and strengthen the Council's oversight role. This governance model requires the institution of section 79 oversight committees, chaired by full-time councillors, appointed by Council and, in turn, reporting to the Speaker and Council.

To coordinate effective oversight at a political level, the Speaker conducts performance assessments with the chairpersons of the section 79 oversight and standing committees with a view to assist, improve and enhance the oversight function incumbent on the respective chairpersons within their respective committees.

EXECUTIVE MAYOR AND THE MAYORAL COMMITTEE

The Executive Mayor for the term was Councillor KD Ramokgopa. In terms of the Municipal Structures Act, an executive mayor must appoint a mayoral committee from the elected councillors to assist him or her. An executive mayor may delegate specific responsibilities and powers to the MMCs.

The Executive Mayor of Tshwane was supported by a team of ten MMCs, each with a different portfolio focusing on particular departments in the Municipality.

The Mayoral Committee was chaired by the Executive Mayor and consisted of the following members:

Table 10: Members of the Mayoral Committee

Member	Portfolio
Councillor Petunia Mashaba	Environmental Management
Councillor Subesh Pillay	Economic Development and Spatial Planning
Councillor Thembi Mmoko	Corporate and Shared Services
Councillor Terence Mashego	Community Safety
Councillor Dorothy Mabiletsa	Finance
Councillor Eulanda Mabusela	Health and Social Development
Councillor Joshua Ngonyama	Housing and Human Settlement
Councillor Jacob Masango	Services Infrastructure
Councillor Nozipho Makeke	Sport and Recreation
Councillor George Matjila	Transport

The Leader of Executive Business was the interface between the executive and legislative branches. Councillor T Mashego, the MMC for Emergency Services and Metro Police Services (Community Safety), also served as the Leader of Executive Business.

The roles and responsibilities of the Leader of Executive Business included the following:

- Representing the executive branch on Council-related matters
- Ensuring that executive business is effectively passed to Council via the Programme Committee
- Consulting with the Speaker when the Speaker intends calling a special meeting of the Council outside of the schedule of Council meetings
- Consulting with the Speaker for the purposes of including time to discuss matters of public importance on the Council agenda
- Determining which matters are referred to the Speaker and thereafter to section 79 committees and Council

AUDIT AND PERFORMANCE COMMITTEE

The Audit and Performance Committee (APC) was established in terms of section 166 of the MFMA. Its main objective is to assist Council in carrying out its responsibilities in terms of the MFMA. The APC's responsibilities in terms of section 166 of the MFMA encompass the following:

Internal audit, which includes:

- Ensuring that the charter, independence and activities of the internal audit function are clearly understood and respond to the objectives of the City and the legal framework
- Reviewing and approving the internal audit charter, including the internal audit strategic plan and operational plan
- Confirming that the annual audit plan makes provision for critical risk areas in the City and its entities
- Evaluating the performance of internal audit activity in terms of the agreed goals and objectives as captured in the audit plan
- Requesting external quality assurance reviews of the internal audit function on a regular basis (at least every five years)

External audit, which includes:

- Reviewing annual external audit plans, audit fees and other compensation
- Reviewing reports and monitoring management's implementation of audit recommendations and Council's resolutions
- Reviewing the report on the financial statements and matters raised therein for reasonability and accuracy
- Liaising with the external auditors on any matter that the APC considers appropriate to raise with the external auditors
- Ensuring that the external auditors have reasonable access to the management and Chairperson of the APC

Financial statements, which include:

- Reviewing the annual financial statements to provide the City, or in the case of a municipal entity, Council and the board of directors of the entity, with an authoritative and credible view of the financial position of the City or municipal entity
- Reviewing the quarterly financial information to be provided to Council and other users of such information
- Advising Council in respect of matters that may impact positively or negatively on the financial position of the City and its entities

Internal controls, which include:

- Establishing whether management has relevant policies and procedures in place and that these are adequate, effective and regularly updated
- Regularly determining whether appropriate processes are followed and complied with
- Considering measures applied to effect changes required for the design or implementation of internal controls
- Assessing steps taken by management to encourage ethical and lawful behaviour as well as financial discipline and accountability regarding the use of public resources

Performance management, which includes:

- Reviewing and commenting on compliance with statutory requirements and performance management best practices and standards
- Reviewing and commenting on the alignment of the Integrated Development Plan, the budget, the Service Delivery and Budget Implementation Plan and performance agreements
- Reviewing and commenting on the relevance of indicators to ensure that they are specific, measureable, achievable and time bound (SMART) and also relate to services performed by the City and its entities
- Reviewing the quarterly performance reports submitted by Internal Audit
- Reviewing and commenting on the annual reports of the City and its entities within the stipulated time frames

Information technology governance, which includes:

- Advising on IT governance, as well as control, access to and safeguarding of information on the City and its entities
- Advising on the appropriateness of disaster recovery and continuity plans for IT risks, regular testing, and evaluation of plans, systems and processes
- Overseeing and monitoring compliance with the public sector corporate governance of the Information and Communication Technology Policy Framework

Compliance with laws and regulations, which includes:

- Ensuring that the City and its entities comply with all applicable laws and regulations by obtaining regular updates from management and legal advisors regarding compliance matters
- Ensuring that all regulatory and compliance matters have been considered in the preparation of financial statements

- Reviewing the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation of and follow-up on disciplinary action in reported instances of non-compliance

Combined assurance, which includes:

- Ensuring that a combined assurance model is applied to establish a coordinated approach to all assurance activities
- Monitoring the appropriateness of the combined assurance model and ensuring that all significant risks facing the City and its entities are adequately addressed
- Monitoring the relationship between the assurance providers

2 ADMINISTRATIVE GOVERNANCE

Mr J Ngobeni (City Manager) was the Accounting Officer for the review period. The City Manager is responsible for managing the financial affairs, governance and service delivery of the Municipality.

The City Manager was supported by Deputy City Managers and other senior managers. The senior management of the City of Tshwane was constituted as follows in the 2015/16 financial year:

Table 11: City of Tshwane senior management

Position	Name
City Manager	Jason Ngobeni
Office of the City Manager: Strategic Executive Director	Ernest Shoji
Group Chief Information Officer	Dumisani J Otumile
Strategic Executive Head: Office of the Speaker	Mapiti Matsena
Chief of Staff	Dorah Nteo (acting)
Strategic Executive Director: Research and Innovation	Zukiswa Ncunyana
Chief Economist	Shaakira Karolia
Strategic Executive Director: City Sustainability	Dorah Nteo
Chief Legal Counsel	Bruno Seabela
Chief Audit Executive	Obed Thenga
Chief Financial Officer	Umar Banda (acting)
Chief of Police	Steven K Ngobeni

Position	Name
Strategic Executive Director: Community and Business Safety	General Manganye
Strategic Executive Director: Corporate and Shared Services	Gerald Shingange (acting)
Strategic Executive Director: Emergency Services	Joan K de Beer
Deputy City Manager: Strategy Development and Implementation	Lindiwe Kwele
Strategic Executive Director: Economic Development	Tembeka Mhlekwa
Strategic Executive Director: City Planning and Development	Makgorometje Makgata
Strategic Executive Director: Communication, Marketing and Events	Nomasonto Ndlovu
Strategic Executive Director: City Strategies and Performance Management	Mayur Maganlal
Strategic Executive Director: Customer Relations Management	Mankiti Khaebana (acting)
Strategic Executive Director: Group Property Management	Pule Mmutlana (acting)
Deputy City Manager: Governance and Support Services	Mokgokela Frans Boshielo
Strategic Executive Director: Health and Social Development	Mpho Kekana
Executive Director: Environmental Management	Mthobeli Kolisa
Strategic Executive Director: Sport, Recreation, Arts and Culture	Nomasonto Ndlovu (acting) Doctor Tswale
Deputy City Manager: Infrastructure and Community Services	Lisa N Mangcu
Strategic Executive Director: Energy and Electricity	Robert Maswanganyi (acting)
Strategic Executive Director: Housing and Human Settlement	Amolemo G Mothoagae
Strategic Executive Director: Water and Sanitation	Stephens Notoane (acting)
Strategic Executive Director: Transport	Nava Pillay (acting)
Strategic Executive Director: Tshwane Rapid Transport	Emelda Matlawe (acting)
Deputy City Manager: Service Delivery and Coordination	Ndhivo Lukhwareni

Position	Name
Strategic Executive Director: Regional Operations Centre	James Murphy (acting – resigned) Nava Pillay (acting)

3 INTERGOVERNMENTAL RELATIONS

1 INTRODUCTION

As the administrator of the capital of South Africa, the City of Tshwane has unique international obligations and responsibilities. The Office of the Executive Mayor provides administrative support to the Executive Mayor in the execution of the Executive Mayor's intergovernmental and international relations functions. Key support functions include research and the formation of administrative partnerships that enable, for example, the signing of city-to-city cooperation agreements, hosting of international conferences and engagement of members of the diplomatic community.

The Office of the Executive Mayor also ensures that media enquiries are responded to swiftly, and that the Executive Mayor has all relevant information when participating in intergovernmental forums.

2 NATIONAL INTERGOVERNMENTAL STRUCTURES

The City of Tshwane conducts its intergovernmental business following the prescripts of the Intergovernmental Relations (IGR) Framework, at both the political and administrative levels. The City participates in the members' forum of the South African Local Government Association (SALGA) and the Provincial Executive Committee Lekgotla of this association with other municipalities to discuss local government issues. The aim is to ensure that national government provides an environment that is conducive for municipalities to deliver services to communities. The City also participates in MinMec meetings to discuss national policy and strategic issues.

City of Tshwane councillors, supported by officials, participate in various SALGA working groups that discuss sectoral service delivery issues and challenges. The focus is on enhancing integrated approaches to service delivery rather than working in isolation.

The City of Tshwane IGR practitioners attended meetings and workshops convened by the Department of Cooperative Governance and Traditional Affairs (COGTA) and SALGA. These meetings focus on support to municipalities in their management of IGR and strengthening the functioning of the IGR system at the level of local government. At COGTA meetings the City of Tshwane meets with other national structures and counterparts and derives the benefit of sharing the national perspective and challenges of IGR coordination programmes and

projects and also of sharing best practice with other metros and municipalities to solve some of the IGR challenges. Interactions with other spheres of government ensure that planning and implementation of government programmes and projects are in line. These meetings also provide opportunities for capacity building and skills development.

3 PROVINCIAL INTERGOVERNMENTAL STRUCTURES

The Executive Mayor participates in the Premier's Coordinating Forum (PCF), the Extended Executive Council Lekgotla. The City of Tshwane participates in the SALGA Gauteng Members Forum where the Executive Mayor of Tshwane is a member of the Provincial Executive Committee. Benefits derived include ensuring collective planning on issues of interest to local government in Gauteng, and agreement on issues of mutual interest.

The Executive Mayor also serves on the board of the South African Cities Network (SACN) as well as other strategic forums.

The Executive Mayor delegates Provincial IGR Forum attendance to MMCs, who facilitate their own sectoral engagements and get involved in policy-making MEC or MMC forums. The City of Tshwane also encourages the implementation of protocols, particularly for agreements on projects with other spheres of government, and supports technical engagements by City departments, who receive their mandate from their Mayoral Committee Clusters and the IDP.

In terms of section 55(1) of the Municipal Systems Act, 2000, the City Manager coordinates intergovernmental relations as the administrative head of the Municipality and participates in the Provincial Coordinating Forum Technical Committee and SALGA technical committees, and also engages ex officio in other statutory technical committees nationally, provincially and between municipalities.

In order to promote the coordinated implementation of the City's IDP and to ensure alignment of the service delivery programme with other spheres, heads of City departments (Strategic Executive Directors) participate in sector forums and have working relations with relevant national and provincial departments.

The City of Tshwane's IGR and IR Unit staff members participate in the Provincial Intergovernmental Relations and International Relations Forums convened quarterly by the Office of the Premier, where metropolitan and district municipalities of Gauteng meet to discuss policies and programmes and share information and best practices.

The City of Tshwane developed its own IGR Forum for City departments and community-based structures, such as those for community development workers and representatives of the traditional leaders in the Tshwane region. The IGR Forum helps to coordinate IGR work and provides better reporting on IGR practice in the City. The City of Tshwane IGR Forum is linked to the provincial IGR system and provides reports to the Provincial IGR

Forum. This is intended to enhance alignment and coordination in the delivery of services to communities with other spheres of government and with other municipalities and organs of state.

The City of Tshwane has engaged with other municipalities and hosted municipalities such as the Mangaung Metro on several occasions to study City of Tshwane systems and processes in various departments and political offices such as the Office of the Chief Whip. Modimolle Local Municipality in Limpopo also came to study City of Tshwane systems of transport. eThekweni Municipality visited the City of Tshwane to learn best practices in communication and marketing, and City of Tshwane officials visited eThekweni to learn about the organisational structure of the office of the City Manager. Endumeni Local Municipality in KwaZulu-Natal made enquiries about City of Tshwane billing systems.

The City of Tshwane has regular engagements with other municipalities and also provides water to neighbouring municipalities.

4 PUBLIC ACCOUNTABILITY AND PARTICIPATION

INTRODUCTION

This section outlines the legislative framework that guides community and stakeholder participation as well as the outreach processes that have been followed towards the review of the draft IDP for the 2015/16 financial year.

The development of the municipal Integrated Development Plan is guided by the Constitution of the Republic of South Africa, Chapter 5 of the Municipal Systems Act (MSA), 2000 (Act 32 of 2000), and the Municipal Structures Act, 1998 (Act 117 of 1998). The MSA is founded on the constitutional principles of participatory democracy and cooperation.

The annual review and amendment of the IDP are prescribed by section 34 of the Municipal Systems Act, 2000 (Act 32 of 2000).

One of the City's commitments is to foster participatory democracy and the Batho Pele principles as strategic objectives committed to in the 2011–2016 IDP. To bring this into effect, the City promoted participatory engagements with communities and stakeholders in all its processes, including the development and review of the IDP and budget.

Communities were consulted during the review of the IDP and budget, as well as on the adjusted SDBIP and the annual report.

5 CORPORATE GOVERNANCE

INTRODUCTION

Key aspects of corporate governance in the City of Tshwane are compliance with legislative requirements, implementation of risk management and the performance of audits. Combined assurance is essential to ensure sound audit outcomes. The City's mechanisms to improve combined assurance include putting in place measures to entrench a performance management culture, sound risk management and auditing.

This section provides an overview of the City's combined assurance, risk and audit functions.

1 COMBINED ASSURANCE

The concept of combined assurance emerges from the King III code, which has a governance framework that requires application of certain codes or an explanation as to why they could not be applied. Simplistically, it means that different levels of role players perform various assurance functions in order to ensure integrity in reporting, accountability and the prevention of fraud.

The City of Tshwane has been systematically improving its combined assurance processes over time, under the leadership of the Audit and Performance Committee and the political and administrative governance structures. Combined assurance refers to the interactions between management, internal assurance and external assurance providers to address various areas of governance such as the reporting of results on financial statements or the achievements against predetermined objectives.

The City has a combined assurance model that makes reference to five levels of assurance. Level 1, which refers to management, is the key level. Management is required to ensure that internal processes are put in place to ensure reliability of reporting, useful planning, and day-to-day risk mitigation and management.

Internal Audit and the City Strategies and Performance Management Department play Level 2 and 3 assurance roles, focusing on assessment, audit and assurance of Level 1 plans and reports. The Audit and Performance Committee, decision-making committees and the AGSA are Level 3 to 5 of the assurance model, and play key oversight roles.

The combined assurance model is still under review. However, its pertinent principles have been implemented within the organisation to ensure credible information and compliance with good governance principles.

2 RISK MANAGEMENT

Risk management is central to the governance-related work of the City of Tshwane. The City is implementing an enterprise risk management model that identifies and aims to manage risk at all levels of the organisation.

The Chief Risk Officer leads the function of risk management in the City under the direction, leadership and guidance of the APC and the City Manager. In ensuring that there is effective risk management processes within the City and its entities, the Group Audit and Risk Department facilitated the appointment of an independent risk committee to provide an independent view of risk management, business continuity management, forensic investigation, occupational health and safety, and security services. The department further developed the Risk Appetite Framework, including limits, tolerance levels and thresholds. The Risk Appetite Framework is a tool to detect and manage risks that may negatively affect the realisation of the City's IDP.

Risk Management further reviewed the Enterprise Risk Management Policy, Strategy and Implementation Plans to ensure that they are in line with the current best business practice. The process of risk management has been embraced in all the key structures of the City and its entities. To further ensure that there is efficiency in managing and responding to risks, the Group Audit and Risk Department procured a system where risk management processes are managed and updated continuously. The system assisted in capturing and monitoring risks.

The strategic risk registers were tabled and discussed quarterly at the Risk Committee meetings. Top management ensured that risk management is a standing agenda item during the meetings in order to hold management accountable for implementing processes of risk management within their areas of responsibility. Risk maturity, as per National Treasury guidelines, improved to Level 4.8, which is close to the last level, Level 5.

3 BUSINESS CONTINUITY MANAGEMENT

The Business Continuity Management Policy of the City of Tshwane, its regions and three entities was approved by Council in 2016. The policy defines the framework for the implementation and maintenance of the Business Continuity Management System (BCMS) of the City. The policy is meant to minimise the impact of disruptive incidents and continue the delivery of services within acceptable time frames. It also emphasises the City's strong intention to implement the BCMS.

The City of Tshwane recognises the need to formalise business continuity management by establishing processes to plan, establish, implement, operate, monitor, review, maintain and continually improve a management system that enables the City's departments, regions and entities to prepare for, respond to and recover from disruptive incidents when they arise.

The project started in ten departments. In order to successfully implement the programme, there are four important stages of the BCM life cycle, namely business impact analysis, business continuity strategy, business continuity plan and validation. The BCM Section completed the first stage, which is the business impact analysis of the ten departments, and was finalising the second stage of the strategy, after which the business continuity plans would be developed.

3 SERVICE DELIVERY PERFORMANCE

INTRODUCTION

“In 2055, the City of Tshwane is liveable, resilient and inclusive whose citizens enjoy a high quality of life, have access to social, economic and enhanced political freedoms and where the citizens are partners in the development of the African capital city of excellence.” — Tshwane Vision 2055

Through this vision, the City seeks to improve the social and economic environment, as well as the management of the natural environment by providing affordable and quality services. This is addressed through eradicating service backlogs and prioritising community needs.

The purpose of this chapter is to report on the core service delivery areas of the Municipality, aligned with the schedule 4 and 5 functions as set out in the Constitution, and as planned for in the 2015/16 IDP and SDBIP. The following outcomes were identified to be priorities for the 2011 to 2016 period:

- Formalisation of informal settlements
- Increased lifespan of infrastructure to improve the asset base of the City
- Modernisation of rural areas
- Improved access to services
- Improved access to healthcare
- Safer communities

In this regard, the following were included amongst the priority areas of focus:

- The provision of –
 - water and sanitation;
 - roads and storm water;
 - waste management;
 - electricity
 - housing
 - health services;
 - disaster management;
 - law and order;
 - emergency services such as ambulances and fire fighting;

- social programmes for social groups such as the elderly;
- a contribution to early childhood development, job creation; and
- free basic services to the indigent.

CONTENTS OF THE CHAPTER

The contents of this section are arranged in response to the National Treasury MFMA Circular 63 and not by the City of Tshwane departments. The table below should be used as a guide to navigate the contents of the chapter.

Table 12: Areas of performance reported on in this chapter

Component	Contents
A: Basic services	<ul style="list-style-type: none"> • Water (including SWA) • Sanitation • Electricity • Waste management • Housing and related services (including HCT) • Free basic services and indigent support
B: Road transport	<ul style="list-style-type: none"> • Roads and storm water services • Transport services (excluding TRT which is discussed in the previous section as a flagship project)
C: Planning and development	<ul style="list-style-type: none"> • Land-use planning and development applications • Local economic development and job creation (including TEDA)
D: Community and social services	<ul style="list-style-type: none"> • Libraries • Social programmes
E: Health	<ul style="list-style-type: none"> • Clinics • Primary health care • Environmental health • Ambulance services
F: Safety and security	<ul style="list-style-type: none"> • Metro Police • Fire rescue • Disaster management
G: Sport and recreation	<ul style="list-style-type: none"> • Sport and recreation
H: Corporate policy offices	<ul style="list-style-type: none"> • Human resource services, property management and fleet • City strategies and performance management
I: Organisational performance scorecard	<ul style="list-style-type: none"> • Performance scorecards for the IDP and SDBIP of the 2014/15 financial year • Performance scorecards for the municipal entities for the 2014/15 financial year

A BASIC SERVICES

INTRODUCTION

The provision of basic services remains a high priority for the City of Tshwane. The 2015/16 financial year was the last year of the five-year term of the Council elected in 2011. This annual report reports on the performance against the IDP and SDBIP for the 2015/16 year and, in addition, reports on the term performance on key service delivery targets set out in the IDP.

In this section the City reports on progress regarding the provision of basic services in the following of its functions:

- Provision of water and sanitation
- Provision of electricity
- Waste management services
- Housing services

The performance on specific targets contained in the IDP and SDBIP, and the business plans of municipal entities are found in the scorecards at the end of this chapter.

1 WATER

INTRODUCTION

The Water and Sanitation Department is the lead department responsible for the provision of water and sanitation services in Tshwane. The focus of the department is to ensure –

- an adequate supply of bulk water;
- the distribution of potable water;
- the planning and implementation of new water and sanitation infrastructure;
- the recovery and treatment of waste water; and
- education to customers about the efficient use of water resources.

WATER PROVISION

Over the past 20 years the focus has primarily been on providing access to clean water. Initially, informal settlements were supplied with water within 200 metres of the yard; however, by 2009 the Council approved the provision of taps within the yards.

The quality of water in Tshwane has been rated at a South African National Standard 241 level of 99,1%, placing it in the top category of quality drinking water in South Africa. The City of Tshwane analyses approximately 9 000 water samples per month, including tap samples (point of use), distribution network samples, reservoirs, water samples from water treatment works, as well as catchment areas, boreholes and springs.

Table 13: Provision of water services since 2011

Indicator or service	Five-year plan (2011 – 2016)		Current 2015/16		Total to date for term
	Target	Actual	Target	Actual	
New water meter connections (consumer applications)	17 503	28 604	4 360	4 656	33 260
Water backlog (number)	14 972	7 900	7 100	-	7 900
New water infrastructure (meter, bulk and network)	327 297 m	316 883 m	31 898 m	18 446 m	335 329 m
Upgraded water infrastructure (meter, bulk and network)	254 830 m	271 139 m	12 900 m	9 415,6 m	280 554,6 m

ACCESS TO WATER

The bulk of the city's water is for domestic use (53%); the water loss accounts for 22%. The remaining 25% of the water goes to other uses, including industrial use and supplying neighbouring municipalities.

The City of Tshwane currently has an average potable water demand of 926 Ml/d. Approximately 72% of the demand is supplied by the Rand Water Board, the water source being the Vaal River. Most of the rest is generated internally by the City of Tshwane's own fountains, springs, boreholes and water treatment plants (WTP), of which Rietvlei WTP (40 Ml/d), Roodeplaat WTP (60 Ml/d), Bronkhorstspuit WTP (54 Ml/d) and Temba WTP (60 Ml/d) are the largest. Magalies Water Board (MW) also owns and operates

three WTPs which supply the City of Tshwane, namely Klipdrift WTP (18 ML/d), Wallmannsthal WTP (12 ML/d) and Cullinan WTP (16 ML/d).

Approximately 86% of households in the city have access to piped water inside dwellings. The remaining 14% of the households is supplied through street communal standpipes and tanker services. The City aims to provide full services (access to piped water inside dwellings) to all the households within the city; hence a backlog strategy was formulated.

INFORMAL SETTLEMENTS

The City provides water services to informal settlements via standpipes. Such informal settlements are also serviced via water tankers that fill Jojo tanks placed in certain informal settlements. The City has established a programme called “Re Aga Tshwane”, where the challenge of informal settlements and basic service delivery are addressed with dedicated resources.

NEW CONNECTIONS AND ERADICATION OF BACKLOGS

Water connections are provided either through a response to consumer applications or the backlog eradication programme. Applications are demand-driven and cannot be predicted; therefore only estimated targets are set at the beginning of a financial year; these targets are used as estimates for planning purposes. The backlog eradication programme is delivered through the implementation of capital projects and the targets are determined by available budgets and materials.

The City has implemented projects to eradicate service backlogs in the settlements of Ramotse, Marokolong, Kudube, Suurman, Mashemong, Majaneng, Stinkwater, New Eersterus, Tswaing and Ekangala.

Table 14: Upgrade of water connections from basic to full services

KPI	Five-year programme target (2011 – 2016)	Achievement to date (2011 – 2016)
Number of full service metered connections installed (backlogs)	Five-year target: 15 312	Achieved: 29 264
	2011/12: 787	2011/12: 787
	2012/13: 180 (967)	2012/13: 325
	2013/14: 6 905	2013/14: 14 292
	2014/15: 6 040	2014/15: 9 358
	2015/16: 1 400	2015/16: 4502

PROVISION OF WATER SUPPLY TO MEET GROWING DEMAND

In accordance with the City of Tshwane's current water and sewer master plan (which was based on the Metropolitan Spatial Development Framework (MSDF)) the City of Tshwane potable water demand is set to increase over the next 40 to 50 years to 2 600 mL/d, with concomitant increase in sewer return flows to 1 600 mL/d.

The anticipated future water demands and sewer return flows will require a growth rate of $\pm 2\%$ pa (within the City of Tshwane) which is not altogether unrealistic, given the historical statistics. There are however a few very large areas where growth may or may not be realised as anticipated. These needs may

have a significant effect on sewer return flows and therefore the water resource availability at certain points in the Crocodile and Olifants River basins.

- R21 Corridor (extends into Ekurhuleni)
- Western Centurion
- East of Silver Lakes
- Doornpoort (north of Montana)
- Kameeldrift/Derdepoot area (Southwest of Roodeplaat Dam)
- Area south-east of Soshanguve
- South of Temba

PROVISION OF BULK WATER AND UPGRADE OF INFRASTRUCTURE

The City of Tshwane's waste water treatment works are being upgraded and extended to comply with the strict standards that are necessary to prevent pollution of the environment.

CONSTRUCTION OF NEW EKANGALA WASTE WATER TREATMENT WORKS

The Ekangala Waste Water Treatment Works (WWTW) is due to replace the Rethabiseng small pond system and provides the greater Ekangala area with compliant bulk waste water treatment. The treatment works will enable the installation of sewer services to areas not yet serviced and help towards eradicating the sanitation service backlog.

This new WWTW construction is therefore needed to serve the Ekangala and Rethabiseng townships with a fully-compliant bulk waste water treatment. This will enable the installation of new sewer reticulation services in Block A and F and in future be able to connect/serve the areas not yet serviced. Landscaping has been completed.



Figure 3: Construction of Ekangala WWTW

REDUCTION OF NON-REVENUE WATER

The components affecting Non-Revenue Water (NRW) are varied and are primarily related to matters such as metering, reactive and preventive maintenance, loss minimisation, retrofitting, water theft, effective meter reading and billing, etc. Other secondary issues such as water quality, rehabilitation of water resources, social awareness, minimising pollution, etc are also considered to play an important role in managing water demand (and therefore may affect non-revenue water).

INTERVENTIONS TO REDUCE NON-REVENUE WATER

The City of Tshwane has identified certain key initiatives in the Water Conservation and Water Demand Management Strategy that have proven to have the largest impact on NRW and water demand. These initiatives are –

- **pipeline and valve replacement** (reduces physical loss): To reduce leaks and bursts, the pipeline and valve replacement and upgrading will continue as an ongoing project;
- **pressure management and installation of smart controllers** (reduces physical loss): This is an ongoing initiative in the City of Tshwane. This programme supports the pipe replacement programme. Total annual water savings as a results of ongoing initiatives equate to R15,2 million;
- **industrial and commercial water meter audits** (targets apparent losses and increases revenue): This initiative relates to revenue enhancement in industrial areas and commercial business districts. It involves the tracing of unmetered connections, combination of multiple metering points into a single feed where applicable, complete shut-downs and pressure testing to ensure discreteness of each stand, replacement of faulty meters and incorrect meter installations, and ensuring that all meters are on the City of Tshwane billing system. Increased annual revenue as a result of these initiatives has resulted in an additional annual income in excess of R13,8 million;
- **top 600 consumer water meter audits** (targets apparent losses and increases revenue): These are the largest consumers of water in Tshwane and special attention is given to ensure that water meters are replaced on regular intervals and not exceeding 8 years. A pilot project to install advanced metering systems linked to a web-based reporting system has commenced. Equipment has been installed at 10 of the identified large consumers;
- **monitoring of flow and pressure in reservoir zones/high night flow analysis** (results in decreased physical loss): This includes the monitoring of Minimum Night Flows (MNF) in the various reticulation systems in order to pinpoint areas of high leakage or problems with zone discreteness;
- **domestic meter audits and replacements** (targets apparent losses and increases revenue): Throughout Tshwane, a total of 43 433 defective, vandalised, damaged and stolen domestic and bulk water meters were replaced. Aging and defective water meters tend to under-register, and revenue is significantly enhanced with this ongoing initiative; and
- **visual leak identification and repair projects** (results in decreased physical loss): Visual leak inspection initiatives in previously-disadvantaged areas.

Night flows are monitored regularly to establish the effect of all initiatives undertaken to reduce water loss.

TOTAL USE OF WATER BY SECTOR AND WATER QUALITY

Domestic water consumption is the largest sector of water use in Tshwane as indicated in the following table.

Table 15: Use of water by sector

Total use of water by sector (cubic meters)				
Other	Domestic	Non-domestic	Non-revenue water	Total
15 377 392	176 661 338	59 307 715	86 738 370	338 084 815

The Blue Drop assessment indicates water quality. The table below provides comparative information on the Blue Drop assessment scores with the most recent information available sourced.

Table 16: Blue Drop assessment scores

Performance area	Tshwane Central and South (Rietvlei)	Tshwane North (Roodeplaat)	CBD (Findley)	Summer Place	Bronkhorstpruit	Bronkhorstbaai	Temba	Onverwacht boreholes	Sokhulumiboreholes	Cullinan (Magalies)	Wallmansthal (Magalies)
2014 Blue Drop score	97,56 %	97,22%	96,04 %	95,57 %	96,08%	90,67%	88,97%	73,26%	74,91%	95,05%	90,02%
2015 Blue Drop score	No score	No score	No score	No score	No score	No score	No score	No score	No score	No score	No score
System design capacity (m ³ /day)	40	60	40	1	54	1	60	1	1	16	12
Operational capacity (% in terms of design)	92,50 %	75%	94%	91%	93%	100%	92%	100%	100%	75%	104%
Population served	1 193 194	643 860	5 000	500	121 228	2 000	500 875	1 178	2 000	22 750	22 750
Water safety planning (%)	98,5%	100%	97%	100%	100%	93%	97%	83%	66,5%	98,5%	98,5%
Treatment process management	100%	100%	75%	75%	85%	75%	100 %	80%	65%	100%	100%

Performance area	Tshwane Central and South (Rietvlei)	Tshwane North (Roodeplaat)	CBD (Findley)	Summer Place	Bronkhorstspruit	Bronkhors tbaai	Temba	Onverwacht boreholes	Sokhulumiboreholes	Cullinan (Magalies)	Wallmansthal (Magalies)
DWQ compliance	100%	100%	100%	95%	100%	95%	73%	50%	82,5%	100%	100%
Microbiological compliance (%)	99,90%	99,30%	99,20%	99,90%	99,70%	99,90%	97,10%	79,70%	96,80%	99,30%	99,90%
Chemical compliance (%)	99,90%	99,90%	97,30%	99,60%	98,30%	99,40%	99,50%	98,10%	99,90%	99,30%	98,60%

2 SANITATION PROVISION

INTRODUCTION

The provision of sanitation is an essential service led by the Services Infrastructure Department. The municipal entity named Sandspruit Works Association also provides a sanitation service in specific areas in Tshwane.

Access to sanitation services are defined on two levels as –

- basic levels of service (include Urine Diversion System (UDS) toilets for rural areas) – Winterveld consists of large plots which vary in size from 5 to 10 morgen; and
- full sanitation services provided to areas without access to waterborne sanitation services (flush toilets).

The following table outlines the sanitation achievements since 2011.

Table 17: Sanitation achievements since 2011

Five-year programme target (2011 to 2016)	Achievements to date (2011 to 2016)
Five-year target: 12 823	Total achieved: 10 058
2011/12: 3 228	2011/12: 2 005
2012/13: 2 787	2012/13: 1 700
2013/14: 3 608	2013/14: 1 910
2014/15: 1 000	2014/15: 2 072
2015/16: 2 200	2015/16: 2 371

BACKLOG ERADICATION

The eradication of sanitation backlogs is dependent on a number of prerequisite factors, including full-service water supply, formalised plans, bulk infrastructure and the availability of sewer reticulation.

The process of eradicating the backlog in sanitation includes the following:

- Identification and quantifying backlogs
- Evaluating infrastructure constraints
- Defining and planning for additional required infrastructure
- Selecting appropriate service options per area
- Registering projects as IDP projects and requesting funding
- Proceeding with construction as allowed by the funding

Additional purification modules were constructed at the Sunderland Ridge and Zeekoegat Waste Water Treatment Works. The modules for Sunderland Ridge were completed, and those for Zeekoegat will be completed in 2016.

Further bulk infrastructure that is currently under construction and scheduled for completion in the next five financial years is as follows:

- The Temba Water Purification Plant extension (2016/2017)
- The Temba Waste Water Treatment Works extension (meant to be completed in 2015/2016)
- The Moreleta and Silver Lakes outfall sewers
- Annlyn, Parkmore, Klipgat Hospital and Babelegi reservoirs
- Ekangala WWTW – almost completed with commissioning in progress

The following table summarises sanitation provision since 2011.

Table 18: Sanitation provision since 2011

Indicator or service	Five-year plan (2011 – 2016)	
	Target	Actual
Sanitation backlog (number)	12 823	9 999
New sanitation infrastructure (meter, bulk and network)	128 731 m	113 227
Sewer infrastructure upgraded (meter, bulk and network)	85 810 m	90 125

The following table summarises bulk infrastructure upgrades since 2011.

Table 19: Sanitation infrastructure upgraded (meter, bulk and network)

Five-year programme target (2011 – 2016)	Five-year achievement (2011 – 2014)
Target: 85 801 2011/12: 38 809 2012/13: 33 938 2013/14: 2 022 2014/15: 6 612 2015/16: 4 420	Achieved: 89 195 2011/12: 44 393 2012/13: 34 464 2013/14: 10 047 2014/15: 291 2015/16: 0

The following table summarises sanitation service delivery levels up to 2016.

Table 20: Sanitation service delivery levels

Sanitation service delivery levels				
*Household numbers				
Description	2014/15		2015/16 data up to April 2016	
	Target	Actual	Target	Actual
	Outcome number	Outcome number	Outcome number	Actual number
<u>Sanitation/sewage (above minimum level):</u>				
Flush toilet (connected to sewage)		589 903		653 349
Flush toilet (with septic tank)		-		-
Chemical toilet		-		-
Pit toilet (ventilated)		4 975		4 975
Other toilet provisions (above minimum service level)		1 875		1 875
- <i>Minimum service level and above subtotal</i>		596 753		660 199
- <i>Minimum service level and above percentage</i>		75%		77%
<u>Sanitation/sewage (below minimum level):</u>				
Bucket toilet		-		-
Other toilet provisions (below minimum service level)				
No toilet provisions				
- <i>Below minimum service level subtotal</i>		196 146		194 975
- <i>Below minimum service level percentage</i>		25%		23%
Total households		792 900		855 174
*Total number of households, including informal settlements				

SANDSPRUIT WORKS ASSOCIATION (SWA) – ENTITY

Sandspruit Works Association (SWA) is a registered section 21 non-profit company. It provides water and sanitation services in the northern region of Tshwane and thus has the function of a water services provider in

terms of the Water Services Act, 1997 (Act 108 of 1997). The supply area of Sandspruit Works Association includes Ga-Rankuwa, Mabopane and Winterveld. The principal activity of the company is to develop, prepare, install and maintain water and sanitation services as well as related services to these areas. It also fulfils the complete operational, financial, marketing, human resource and legal functions.

SERVICE DELIVERY PERFORMANCE

Arbor Day celebrations

SWA joined hands with Morula Casino, councillors and community representatives to visit Mahlwareng Primary School in Winterveld in celebration of Arbor Day on 29 April 2016. The day was commemorated by planting trees and teaching learners more about trees and the role that they play so that they can fully appreciate their place in our environment. In addition, awareness was created on saving water by providing the learners with water-saving tips to minimise unnecessary usage of water.

Operation Kuka Maoto

The service delivery teams visited Ga-Rankuwa wards in MAWIGA, over-and-above service committee meetings to address community concerns, in order to ensure that mere leakages and sewer blockages are identified, logged and addressed. Operation Kuka Maoto is an initiative by the City of Tshwane which aims to accelerate service delivery. SWA participated in the improvement of service delivery by addressing non-reported queries immediately. The same activity occurred in Mabopane and Winterveld.

Customer survey

A customer survey was undertaken in the MAWIGA (Mabopane, Winterveld and Ga-Rankuwa) areas to establish the satisfaction levels of customers regarding SWA services from March 2016 to May 2016.

The purpose of the survey was to establish the following:

- Communication levels between SWA and MAWIGA customers
- Professionalism
- Service delivery
- Satisfaction levels

The communication tools used to reach the target market were social media, the SWA website and SWA service centres. The customer survey was aimed at improving the services that are rendered by SWA in MAWIGA. The survey report and action plan to address customer dissatisfaction has been compiled.

Sanitation Week – 2016

SWA together with Rand Water (Sanitation Project) and Tshwane Water and Sanitation celebrated Sanitation Week with its communities in Winterveld. The main objective of Sanitation Week is to raise awareness and the public profile of sanitation, and to encourage local government to prioritise sanitation, health and hygiene as key issues towards a healthy nation. The National Department of Water and Sanitation declared the month of May as the Sanitation and Hygiene Month.

SWA together with the different stakeholders (community development workers, Rand Water health promoters, Tshwane Water and Sanitation Division as well as the SWA stakeholder team) went to different sides of the area, imparting knowledge and understanding on the clients at their doorstep. The event was held at Mpho Area Sports Ground in May 2016.

Customers were advised not to do the following:

- Flushing oil in the drain
- Flushing sanitary napkins
- Putting soil down the drain
- Throwing diapers in the main hole
- Throwing foetus in the main hole

Stakeholder management and customer education

Regular meetings were successfully held at ward level in order to improve SWA services to the community of MAWIGA. SWA collaborated with the City of Tshwane in ensuring that communities in Region 1, including MAWIGA customers, are receiving prompt services during projects such as Ntirisano. All wards were visited to ensure that SWA eradicates all leaking pipes and meters. During visits, customers were also educated on the SWA network and customer network. Customers were informed that it is their responsibility to address internal leakages and SWA will attend to leaking meters and pipes once such are reported.

Service delivery agreements (SDA) between SWA and the City of Tshwane

The existing SDA, signed in 2011, between SWA and the City of Tshwane elapsed during 2016. The process of reviewing the SDA commenced in the 2015/16 financial year.

OPERATIONS AND WASTE WATER TREATMENT WORKS (WWTW)

The use of water management devices (WMDs) was introduced to continue with the provision of water and alleviate the misuse thereof. The devices are programmable to provide the allocated kilolitres of water. To date 776 WMDs have been installed. The Operations Department is actively involved in an ongoing programme to resolve water and sanitation queries in the MAWIGA area to endorse service delivery.

The WWTWs were disrupted by a spate of cable thefts during 2015/16 which resulted in the breakdown of treatment processes and the discharge of non-compliant effluent to the water course. A security audit was conducted and recommendations were made to improve the security at all WWTWs.

Temba WWTW is being upgraded. It has been extended by an additional 20 mL/day, which will capacitate the treatment works to have a total treatment capacity of 32,5 mL/day. The project is 98% complete. This will also improve the quality of the treated effluent.

SUMMARY OF FINANCIAL PERFORMANCE AND POSITION

A surplus of R1 627 615 was achieved for the current financial year versus a surplus of R1 076 025 in the previous financial year.

Net assets were valued at R3 349 029 for the current financial year versus R1 721 415 in the previous financial year. The current liabilities exceed the current assets by R3 013 947 as compared to the previous financial year where the liabilities exceeded the assets by R4 858 122.

The major creditor of SWA is the City of Tshwane, with the debt constituting around 97% of the total liabilities.

The board of directors approved a debt collection strategy in October 2015, together with the implementation plan. Improvements in revenue collection levels have occurred. As at 30 June 2016, the appointment of debt collectors was not yet finalised by the City of Tshwane as SWA was requested not to appoint its own debt collectors and should rather partake in a traversal contract of the City of Tshwane in line with regulation 32.

Another intervention that will be implemented for the 2016/17 financial year is the appointment of a professional revenue team by the City of Tshwane to assist SWA with increasing revenue collection and reducing the debtors' book. The debtors' book value as at 30 June 2016 is R734 million. The current bad debt impairment is R724 million. The net debtors' days ratio is 37,17 days compared to a standard of 30 days. The current provision for debtors' impairment is 97,93%. This is due to the high debt levels accumulated over prior years.

CAPITAL PROJECTS AND SCORECARD PERFORMANCE

The mandate of SWA does not include capital projects as such; they are carried out directly by the City of Tshwane.

SWA has six strategic objectives which are aligned to those of the City of Tshwane. Key performance areas and indicators are reviewed annually and approved by the Board of Directors in the business plan.

SWA has achieved 3 out of the 10 set key performance indicators for the 2015/16 financial, representing a 30% achievement rate on the scorecard. The 2014/15 financial year had a rate of 80%.

The detailed tables regarding the KPIs and other performance results have been inserted under section J of this document.

3 ELECTRICITY

INTRODUCTION

Outcome 3 of Tshwane Vision 2055 refers to “Quality infrastructure development that supports liveable communities”. This acknowledges the need for infrastructure to gear the development, functionality and prosperity of any city. In addition, access to electricity is one of the four basic municipal services to be provided to all residents of Tshwane.

The Energy and Electricity Department is responsible for the long-term infrastructure plan to support sustainable long-term service delivery. Its objective is to improve access to electricity services to satisfy the essential needs of consumers in Tshwane.

KEY OBJECTIVES AND SUMMARY OF PROGRESS

The main objectives related to electricity provision include –

- the provision of an adequate supply of bulk electricity;
- the distribution of electricity in a sustainable, effective and efficient manner;
- the improvement of access to electricity services for consumers in Tshwane; and
- the provision of public lighting services in the licensed areas of Tshwane.

During the 2015/16 financial year, the Municipality electrified 3 056 houses to eradicate backlogs, and provided

2 421 electricity connections in formalised areas.

NEW CONNECTIONS

New connections cater for the ad hoc expansion of residential development in the City of Tshwane. The need arises from private development for townships, land use applications (which include subdivisions) and consent use.

The new connections indicator is dependent on the customers for applying and paying the required amounts as determined by approved tariffs and scope rates. The process follows an application from a potential consumer and a subsequent payment for the provision of an electrical connection point. It is through this process where potential consumers across the Tshwane are able to submit their electricity applications to the City. The City responds to an application by providing a customer with a quotation and, once a payment is made, the connection then gets provided. In the 2015/2016 year, the department completed a total of 2 422 new electricity connections. These connections have been realised in all regions across the City.

ELECTRICITY FOR ALL

The Electricity-For-All Programme was allocated a budget of R158 345 808 in the 2015/2016 financial year. Through the approved funds, the department has electrified just over 3 000 households in both formal and informal areas across the city. The electrification programme focuses on electrifying formal and informal areas which are being formalised by Housing and Human Settlement Department and the Re Aga Tshwane programme. The following townships benefited from the 2015/16 electrification programme:

- Winterveld Extension 3, Region 1, Ward 19
- Zone 14, Region 1, Ward 32 and 39
- Soshanguve Extension 19, Region 1, Ward 37
- Brazzaville, Region 3, Ward 48
- Atteridgeville Extension 16, Region 3, Ward 48
- Olievenhoutbosch Extension 60, Region 4, Ward 71
- Olievenhoutbosch Extension 27, Region 4, Ward 71
- Pienaarspoort, Region 5, Ward 99
- Nellmapius Extension 21, Region 6, Ward 40
- Nellmapius Extension 24, Region 6, Ward 40
- Zithobeni Extension 9, Region 7, Ward 102

The electrification connections are only regarded as complete once an electricity meter is installed and switched on. The department has experienced challenges which include the unavailability of electricity prepaid meters which negatively affected the performance of the electrification programme.

BACKLOG ERADICATION

The provision of electricity services to households follows the formalisation of townships by Housing and/or Re Aga Tshwane through township establishment processes. Once townships are formalised, provision of services, including electricity, follows. Due to growth and establishment of new informal settlements, the service backlog

figure is not static and changes continuously. Households which are without electricity are estimated to be around 135 000. This figure includes both formal and informal households and will require an amount of over R3,2 billion to be eradicated.

The Electricity-for-All Programme remains key to addressing the electrification backlog. With the current electrification funding level, the department is able to electrify an average of 6 000 households per year.

REDUCTION OF NON-REVENUE ENERGY

During the period under review, Energy and Electricity saw non-revenue energy increasing to 19,28%, the highest ever since the 2011 – 2016 term. This was mainly as a result of technical losses (professional theft of electricity) from the rollout of smart meters. The meters CT and VT ratios were altered to under read. This prompted the department to undertake inspections of the smart meters.

Annual unaccounted-for electricity (non-revenue) losses are made of technical and non-technical losses. Unaccounted-for electricity is the distribution losses that are made of the difference between electricity purchased inclusive of own generation (kWh) and electricity sold (kWh).

Technical losses are inherent to the distribution of electricity and are normally capital-intensive to minimise and can be assumed as fixed. A figure of 7% for technical losses is being used as acceptable assumption for the Tshwane electrical network based on the number of transformers, kilometres of distribution of cables and lines, class accuracy of our meters and other network connected equipment.

Non-technical losses are mainly the result of administrative and technical errors, negligence, theft of electricity, tampering with meters, under-billing, unmetered connections and incorrect settings of HV consumption instruments such as current transformers (CT) and potential transformers (PTs), ratios and illegal connections.

Non-revenue electricity for the 2014/2015 financial year was recorded at 16,05%, and went up to 19,28% for 2015/16, which is the highest ever in the history of the City of Tshwane. The closer observation and analysis of the losses reveal a gradual increase for the past three years. To be able to deal with the causes/drivers that have been described and discussed above, the Energy and Electricity Department has identified four drivers/problematic areas to ensure that at the end of the 2016/2017 financial year the losses are dropped down to almost 12 % as submitted to the National Electricity Regulator of South Africa (NERSA) during the City of Tshwane's electricity tariffs hearing on 3 June 2016.

The analysis of the non-technical losses has revealed that the major sources/drivers are the following:

Driver/source	Planned activity	Sub-planned activity	Targeted number	30 June 2017 target	Progress report (monthly) evidence
Illegal electricity connection (5%)	Intensified daily removal of illegal connections at both formal and informal settlements	<ul style="list-style-type: none"> Auditing of prepaid meters with low or non-consumption 	20 000	15 000	Job cards and Suprima sales report of audited meters and R17 000 fines imposed on the account for reconnection
		<ul style="list-style-type: none"> Removal of illegal connection at informal settlement 	10 000	10 000	Job cards, Metro Police field report, visual photos, estimated kWh
		<ul style="list-style-type: none"> Auditing and removal of illegal connections of top suspicious accounts 	10 000	10 000	Job cards, visual photos and R17 000 fines imposed on the accounts for reconnection
Lack of prepaid meters (5%)	<ul style="list-style-type: none"> Purchase dummy prepaid meters 	<ul style="list-style-type: none"> Installation of prepaid meters to all new electrification projects prior to occupation 	10 000	10 000	Job cards and kWh sold though Suprima for the installed meters
		<ul style="list-style-type: none"> Expediting retrofit application installations 	10 000	10 000	Job cards and kWh sold though Suprima for the installed meters
		<ul style="list-style-type: none"> Installation of indigent prepaid meters 	12 000	12 000	Job cards and kWh sold though Suprima for the installed meters

Lack of conventional meters (1%)	Purchase conventional meters	Replacement of all stagnant meters	15 000	15 000	Job cards and kWh sold through Suprima for the installed meters
Unmetered connections (1%)	Audit all new development and their accounts	<ul style="list-style-type: none"> Removal of all unmetered infrastructure Impose recalculated consumption on the accounts 	2 000	2 000	Job cards, visual photos and paid accounts after audit

Furthermore the department, on its tariff application submission to NERSA for the 2016/2017 financial year, requested the above recommended percentage increase so that extra funds of R189 million can be collected to deal with unaccounted-for electricity losses.

Therefore the declared unaccounted-for non-revenue electricity losses amount to 19,28% for the 2015/16 financial year.

BULK CAPACITY

The Energy and Electricity Department is responsible for the provision of bulk electricity infrastructure to ensure a sustainable electricity supply throughout the city. In order to keep up with the load demands due to economic growth and maintain a reliable supply, the department through its Network Planning Section has undertaken various bulk electricity infrastructure projects. These are multi-year projects and are implemented over a number of financial years. They consist of the upgrading of existing primary substations and construction of new power lines. In the 2015/16 financial year, four projects were implemented and included the following:

- Upgrade of Rietvlei Infeed Station: The station is one of the three major infeed stations linking the City of Tshwane electricity network to the Eskom national grid, and supplies power to the Centurion area. The station had a capacity of 125 MVA, and due to a number of residential and commercial developments in the Centurion area, the capacity of the station was exceeded. The EED in partnership with Eskom initiated a project to upgrade the station to 250 MVA. The project was successfully completed and handed over to the City on 28 June 2016.
- Upgrade of Mamelodi 3 132/11kV substation: The area on the eastern part of Mamelodi has been one of the areas that experienced a constant load growth due to new low-cost bonded houses and informal settlements in the area. The Mamelodi 3 substation is the main point of supply for the area and has a

capacity of 20 MVA which was being exceeded during peak load periods in winter. The substation is currently being upgraded to increase the capacity to 80 MVA. The project is currently at 70% towards completion, with major equipment with long-lead time already procured and installed on site. The substation is expected to be completed in June 2017.

- Upgrade of Eldoraigne 132/11kV substation: The substation is situated in Centurion and is one of the oldest substations in the area. The substation is being upgraded from 40 MVA to 80 MVA as a result of capacity constraints and constant power interruptions due to inadequate capacity. Most of the equipment in the substation had reached the end of their useful life and had to be replaced in order for the City to continue to provide reliable electricity supply in the area. The project is expected to be completed in the 2017/18 financial year.
- Construction of the Mamelodi – Hatherley 132kV power line: The City of Tshwane has in 2007 identified the need to build new bulk electricity infrastructure to provide additional capacity for new developments in the eastern part of the City. The City forecasted load growth in the Mamelodi, Nellmapius, Waltloo, Silver Lakes and Roodeplaat areas which required expansion of the existing infrastructure. The City has received numerous applications for electricity connections from commercial, residential and industrial property developers which prompted investment in new bulk electricity infrastructure.
- The municipality undertook to invest in three bulk electricity projects: construction of the proposed 750 MVA, 400/132 kV Wildebeest Infeed Station in partnership with Eskom to beef up electricity intake from the Eskom grid, the Hatherley 132/11 kV Substation and the new 132 kV power lines to link the proposed Wildebeest Infeed Station with the Hatherley Substation and the rest of the City of Tshwane electricity grid. The Hatherley – Mamelodi 132 kV power line project is part of the broader network expansion project to stabilise electricity supply in the Mamelodi and Nellmapius area. The new Nellmapius Extension 22 low-cost housing development will benefit from the project once completed. The project is expected to be completed in the 2016/17 financial year.
- Upgrade of the Rooiwal Power Station.

The City went out on tender to procure services of external parties to assist with the refurbishment of the two power stations. The tender was made of a two-stage process; four bidders were shortlisted for stage 2. The tender was opened for over 9 months until 15 July 2016. On the submission date no bid was received from the four bidders.

PEU/SMART PREPAID METER CONTRACT

The City decided to terminate the agreement with TUMS relating to the Security of Revenue Project. A tender was advertised for a replacement service provider and an appointment was made. As part of the termination agreement, TUMS was to be paid an amount for taking over the infrastructure. Provision was made on the

2016/17 MTREF for the payment of this amount; however, Afrisake approached the North Gauteng High Court to interdict the City from making this payment. The court ruled in favour of Afrisake and ordered that the initial contract entered into be subject to a review process. The date for the review process by the court has not been made available as yet. The court further ordered that the services being rendered by TUMS to the 12 978 meters that have been rolled out continue pending the finalisation of the review process.

4 WASTE MANAGEMENT

INTRODUCTION

The provision of waste removal is a basic service. The City provides waste management services to residents in formal as well as informal settlements.

The function of solid waste management as performed by the department of Environmental Management includes the following key performance areas:

- Collection and transportation of waste to disposal facilities
- Management of waste disposal sites
- Public cleansing (litter picking and prevention and clearing of illegal dumping sites)
- Waste minimisation and recycling
- Community liaison, education and awareness
- Regulation and information management

WASTE COLLECTION

The City opted to implement a regionalised system of service delivery which aims to bring service delivery closer to the local communities. Waste collection is one of the waste management functions that is operated and managed by regional administrative structures. The Central Department of Environmental Management Services is responsible for policy, strategy, norms and standards.

Tshwane's refuse collection service coverage has improved significantly over the last decade, from 76% to 82%. In informal settlements in particular, it has also improved significantly, with the provision of bags and bins across the city. Towards the end of the Council term the City was collecting refuse from more than a million service points every week.

From a strategy point of view, during the 2011 – 2016 term, most of the waste collection services in the city were done through a combination of private sector and the City of Tshwane's own internal capacity at 70% and 30% respectively.

The private sector service providers are mostly SMMEs.

Towards the end of the term, the City reviewed its waste collection service delivery mechanism and concluded that, while the current mechanism is beneficial from an economic perspective in terms providing opportunities for SMMEs, especially from previously-disadvantaged areas, it was not the most efficient system for the City's service delivery. Council then resolved to change the waste collection mechanism to the one where the City will use its own employees using leased vehicles. This change will be a key focus area in the new Council term.

The City also decided to progressively standardise its household waste collection service into one where households will make use of 240 l wheelie bins. This was meant to contribute towards the reduction of illegal dumping of general waste, especially from the previously-disadvantaged areas where households found themselves with no option but to illegally dump household general waste on the road sides and open spaces because the smaller receptacles could not accommodate their waste volumes in between collections.

A target of 30 000 bins was set for the 2015/16 financial years and the department exceeded the target by distributing 30 480 240 l bins to households. This took the tally for the provision of bins in the Council term to 83 598.

In addition to addressing the service delivery needs of the consumers, this project has contributed significantly to the waste management revenue which increased from R541,7 million in 2011/12 to R1,9 billion in 2015/16.

However, the project did face a challenge where some communities complained about the affordability of the service where they have to pay the 240 l bin tariffs. This was addressed through the approval of a rebate policy where households in properties of less than R350 000 in value will pay half the tariff; if they are indigent, they will be exempted from payment.

WASTE DISPOSAL

At the end of the term, the City had five active waste disposal facilities with the other five having been recently closed.

The closed sites are Valhalla, Derdepoort, Temba, Garstkloof and Kwaggasrand Waste Disposal Facilities.

The operational landfills in Tshwane are Hatherley and Bronkhorstspuit in the east of the city, Onderstepoort, Soshanguve and Ga-Rankuwa Waste Disposal Facilities in the north of the city.

The estimated lifespan and amounts of waste disposed at the five landfill sites are indicated in the table below.

Table 21: Estimated lifespan of landfill sites

Operational landfill sites	Region	Estimated lifespan (years)	Average volumes (M³ per month)
Onderstepoort	1	1	230,000
Soshanguve	1	15	18,000
Ga-Rankuwa	1	15	14,000
Hatherley	6	10	180,000
Bronkhorstspuit	7	15	16,000
Monthly total average			458,000

Towards the end of the term, indications were that about 458,000 cubic meters of waste per month were disposed at the City's landfill sites. This works out to about 5,496,000 cubic meters of waste per year disposed at the City-owned landfill sites. The volumes are estimates because at the beginning of the term, none of the City's landfill sites had weighbridges. During the year under review, weighbridges and access-control infrastructure were installed in all the City-owned functional landfill sites, with the exception of Onderstepoort, which is expected to be closed soon, as well as Bronkhorstspuit – the City is still negotiating its purchase.

Post the closure of the Valhalla and Kwaggasrand Waste Disposal Facilities, the City no longer had its own operational waste disposal facilities in the west and south of Tshwane, although there is a private landfill site in the south. Since the closure of the waste disposal facilities, the waste collection trucks that are operating in the south and west of Tshwane have been diverted to the remaining waste disposal facilities. This has led to longer travel distances to disposal facilities, and has had a negative impact on the efficiency and cost of operations.

In response, the City is not getting itself to be tempted into prioritising the development of landfill sites. The development of the new waste disposal facilities is not consistent with the City's Vision 2055, Green Economy Framework and IDP objectives.

Instead the City is pursuing interventions that will –

- contain costs in the context of fewer landfill sites; and
- reduce the amount of waste that needs to be disposed at the landfill sites.

Amongst the programmes implemented to reduce costs was a partnership with NewGX Enviro, a private company, to refurbish and operate the Kruger Street transfer station in order to reduce the travel distance of fleet providing services in the Centurion area.

WASTE MINIMISATION AND RECYCLING

The shift from waste management that is focused on collection and disposal at landfill sites to the one that is oriented towards waste minimisation, reuse and recycling should be understood as part of a response to the constraint and associated costs of developing new landfill sites within easy access to areas of waste generation. It is a response to the wasteful disposal of a resource that can, in fact, be used productively in the economy. It is also a response to the harm caused by landfill sites that produce gases that contribute to climate change. The City is taking strides to join its peers across the world who no longer mindlessly throw away, at high costs, such a useful resource.

A key input towards a viable waste minimisation programme is the development of infrastructure that supports waste minimisation and diversion from landfill sites.

WASTE BUY-BACK CENTRES

The City partnered with the Department of Environmental Affairs (DEA) to develop and refurbish five waste buy-back centres.

Three of these buy-back centres, which were refurbished in Atteridgeville, Stinkwater and Hammanskraal, were launched in the 2015/16 financial year. Two new buy-back centres in Ga-Rankuwa and Soshanguve are in the construction phase.

The buy-back centres will contribute towards the reduction of the hardship, distance and hazards that are witnessed daily by some of the poorest members of our communities, the informal waste reclaimers who push and pull huge trolleys loaded with recyclable waste for tens of kilometres to find places to sell their stock for money. They also enable households and small businesses to have outlets where they may exchange their recyclable waste for some monetary gain.

The City intends to use these five buy-back centres as incubation centres of co-ops that will be assisted to develop and be supported to open and operate their own waste-recycling businesses in other areas of the city. The buy-back centres will be linked to a bulk recyclable waste processing facility in the form of the Kwaggasrand Multipurpose Waste Recovery Facility. The operators of these facilities will be managed and mentored by the operator of the Kwaggasrand Multipurpose Waste Recovery Facility. The intention of this arrangement, in addition to the training and mentorship support, is to provide a readily-available market to the buy-back centres to sell their stock.

Kwaggasrand Multipurpose Waste Recovery Facility (MRF)

The Kwaggasrand Multipurpose Waste Recovery Facility is a partnership between the City of Tshwane and New GX Enviro to develop a multipurpose waste recovery facility in the now closed Kwaggasrand landfill site.

The entire operation consists of three phases. The facility aims to divert 65% of waste from landfills in certain areas in Tshwane, giving tons of recyclable material a second life and promoting the value of waste in the economy.

The first phase of the Kwaggasrand multipurpose waste facility is complete and ready to accept and process recyclable waste such as paper, plastic tin and glass that will be collected in the buy-back centres and from households and businesses in the historical Pretoria city and its suburbs, Centurion and its suburbs, Olievenhoutbosch, Atteridgeville, Laudium and neighbouring areas.



At full production, Phase 1 of the project can process about 100t/day of recyclable waste. As indicated above, the MRF will also be an off-taker from various previously-established buy-back centres in Tshwane, which purchase recyclables from formal and informal waste collectors. As part of its corporate social investment programme, New GX will incubate SMMEs at the buy-back centres in Atteridgeville, Hammanskraal and Stinkwater, and encourage the establishment of new buy-back centres.

Phase 2 of the project is a transfer station and wet waste beneficiation centre. Here, everyday household black bag refuse collected will be sorted into two streams. The bags will be opened and passed over a magnetised area to take out metal; leftover material will then pass over a screen separating wet waste from dry packaging-type material which can be beneficiated through the first phase of the plant. The non-recyclable wet waste will be sent to an anaerobic digester where energy can be produced; finally the last of the non-recyclable material will be used to produce refuse-derived fuel (RDF), which can be used as a coal substitute for power-use intensive-production processes.

The appointment for Phase 2 was concluded towards the financial year. Contracts for Phase 2 are expected to be finalised soon, with construction expected to be completed within the 2016/17 financial year. This portion of the project is worth about R150 million and at full capacity will process up to 900 t/day of waste on an area of 1,5 ha.

Phase 1 and 2 of the project complement each other. As separation-at-source and recycling volumes go up, Phase 1 of the project will be busier and handle more waste, while Phase 2 should have less incoming waste.

Phase 3 of the project will deal with green and garden waste, as well as building rubble. A composting facility will be established to deal with green waste; a building rubble area will sort building rubble; a crusher will break down the rubble into aggregate which can then be sold to contractors for use in building roads. It is envisaged that Phase 3 will also be up and running before the end of 2016/17.

Ultimately, when all phases are fully operational the facility will allow for a 65% diversion of waste from landfills from Region 3 and 4 in Tshwane. Some 161 jobs will be created for operation of Phase 1, with an overall 311 jobs anticipated when all three phases are operating at full capacity. All this infrastructure investment will be inherited by the City in 15 years' time.

WASTE SEPARATION AT SOURCE

Phase 1 of the Waste Minimisation Programme was rolled out in Region 3 and 4 to support the recently-refurbished buy-back centres. So far, 53 900 households in Ward 7, 77, 51, 62, 63 and 68 are participating in the project. Recycling plastic bags are provided weekly and a dedicated vehicle is in place to collect the recyclables from the households.

The City is planning to invest more resources to implement the programme in the remaining regions.

The City is also making strides in recycling waste paper in City and government buildings. By the end of the financial year, a total of 155 buildings were regularly-serviced through this project. The plan is to service additional City and government buildings, as well as intensify the education and awareness programme citywide.

At the 2016 Waste Summit in Durban, the City was awarded a certificate of recognition by the DEA for being amongst the leading municipalities in implementing waste minimisation programmes.

PUBLIC CLEANSING (LITTER PICKING, AND PREVENTION AND CLEARING OF ILLEGAL DUMPING SITES)

The City has been a leading performer for the last few years in the implementation of the Expanded Public Works Programme. This was through its Vat Alles Programme that was primarily designed to create work opportunities in cleaning the city.

The biggest challenge that was faced by the City in respect of public cleansing is illegal dumping, especially by garden services and construction rubble removal business operators. These unscrupulous business operators charge their customers as if they are to remove and dispose of the waste at landfill sites and then go on and dispose of it at nearby open spaces and road sides in order to cut costs and make more profits. This necessitated the review of the by-laws and strengthening of enforcement mechanisms.

Waste regulation and information management

The City of Tshwane's previous Solid Waste By-law was promulgated in 2005 to govern waste management practices within the jurisdiction of City.

Since then, there were significant developments in the waste management sector. Amongst others was the promulgation of the National Environmental Management Waste Act, 2008 as well as the National Waste Management Strategy. These new developments ushered in a new era in waste management in South Africa.

The new legislation and strategy prescribed the need to implement the waste management hierarchy which directs that waste disposal at landfill sites should be the last option after implementation of efforts to reduce, reuse, recycle and recover all useful value from waste, including energy.

In addition to the old by-law not being aligned to the national policy and legislative prescripts, it was found to be weak on enforcement, including on penalties for breaking the by-law and on empowering by-law enforcement.

Amongst the consequences of these by-law weaknesses was the scourge of illegal dumping in the city and the inability to enforce waste separation at source by consumers, which is key to the implementation of the waste hierarchy.

These challenges necessitated the revision of the Waste Management By-law in order to effect stronger compliance enforcement provisions, be able to foster an environment that allows for alternative waste management initiatives, and drive the focus away from the traditional approach of collecting and disposing of waste at landfill sites.

In June 2016, the Council approved a City of Tshwane Waste Management By-law which is aligned to the provisions of the Waste Act, as well as the National Waste Management Strategy.

The new by-law gives effect to –

- the regulation of waste separation at source of generation;
- the implementation of the waste management hierarchy;
- stronger compliance enforcement;
- a conducive environment for a transformative growth in the waste economy;
- public participation in the enforcement of by-laws; and
- safeguarding the Municipality as the only authority of waste management services in its area of jurisdiction in line with part B of schedule 5 of the Constitution.

The by-law introduces a common regime of waste management regulations across the City and replaces all waste management by-laws that were applicable in the various former municipal areas that were incorporated into the City of Tshwane as we know it today.

5 HOUSING

INTRODUCTION

The Housing and Human Settlement Department contributed to the IDP by planning and developing sustainable human settlements and upgrading informal settlements and community residential units. The City is supported by Housing Company Tshwane (HCT), which manages the City's rental housing stock.

The housing functions performed by the Housing and Human Settlement Department are based on the conditions of the Housing Act, 1997 (Act 107 of 1997). The housing function includes the following:

- Formalising informal settlements
- Managing and minimising housing backlogs
- Developing and managing housing and rental stock
- Acquiring land
- Contributing to security of tenure
- Delivering housing
- Providing a wide range of rental housing options for Tshwane residents
- Offering special-needs housing for the aged, the disabled, people with HIV and AIDS, and children who are orphaned
- Providing a mechanism to resolve disputes between landlords and tenants
- Regularising informal settlements
- Facilitating and creating a conducive environment for the development of social housing through identifying strategic land parcels and properties
- Providing incremental low-cost housing for households earning less than R3 500 per month
- Providing houses in mixed developments

SUMMARY OF PROGRESS

The following was achieved in the 2015/16 financial year:

- A total of 30 Community Residential Units (CRUs) were completed.
- A total of 6 422 households (houses and stands) were connected to water supply.

- A total of 7 086 households (houses and stands) were connected to sewage reticulation.
- 23,68 km of road was constructed in Thorntree View, Winterveld and Zithobeni Extension 8 and 9.

PROVISION OF HOUSING

The Gauteng Department of Human Settlement built 1 270 of the houses the 5 040 houses it planned to build. The department also fixed 6 506 houses damaged by the hailstorm of December 2013 in Hammanskraal, Mamelodi and Soshanguve.

The table below summarises human settlement achievements per geographical location.

Table 22: Human settlement achievements per geographical area (houses built)

Region	Township	Achievement
Region 1	Various extensions in Soshanguve	334
	Winterveld Extension 3	108
	Slovoville	1
Region 2	Hammanskraal West Extension 2	250
Region 3	Danville Phase 1	69
	Lady Selbourne	208
	Atteridgeville Backyard Rental	198
Region 5	Refilwe Phase 3	2
Region 6	Mamelodi Extension 22	98
	Mamelodi Backyard Rental	19
Region 7	Rethabiseng Extension 5	2
TOTAL		1 289

PROPERTY REGISTRATION AND TITLE DEEDS

The City issues title deeds to provide security of tenure to its residents. Upon allocation of low-cost houses, conveyancers are appointed to facilitate the registration process. They are provided with lists of beneficiaries in order to prepare and lodge applications with the Deeds Office for registration of properties (title deeds). The City receives and issues title deeds on an ongoing basis; hence a backlog of such title deeds received may be created, resulting in more deeds potentially being issued in a financial year compared to deeds received.

The following was achieved in 2015/16:

- 3 816 title deeds were received by the City from conveyancers for issuing to beneficiaries.
- 3 979 title deeds were issued to beneficiaries.

- 277 houses built by the provincial department were allocated to beneficiaries.
- 4 526 houses were registered at the Deeds Office.

The following communities benefitted from the process of housing registration and title deeds:

- Soshanguve, Mabopane, Winterveld and Ga-Rankuwa, Region 1
- Hammanskraal, Stinkwater and Kudube, Region 2
- Atteridgeville and Saulsville, Region 3
- Olievenhoutbosch, Region 4
- Mamelodi, Nellmapius and Eersterust, Region 6
- Rethabiseng and Zithobeni, Region 7

HOUSING COMPANY TSHWANE (HCT) – ENTITY

Housing Company Tshwane is a municipal entity of the City of Tshwane. The City established the entity as a vehicle to develop and manage social housing and other forms of institutional housing in and around Tshwane. Therefore, the mandate of Housing Company Tshwane consists of the following:

- Developing, owning and managing affordable rental housing opportunities close to employment nodes, transport nodes, social amenities and related public services for households earning between R3 500 and R7 500 (as revised by the National Department of Human Settlements from time to time);
- Providing rental housing accommodation for people who do not qualify for subsidies and are unable to participate in the formal, non-subsidised housing market;
- Providing property management and turnaround services for low to medium-density social or rental accommodation; and
- Managing all rental stock owned by the City of Tshwane.

HCT has been mandated to focus on specialist areas relating to property management for the City of Tshwane.

SERVICE DELIVERY PERFORMANCE

Service delivery agreement (SDA) between the entity and the parent-municipality

- The implementation of the service delivery agreement (SDA) was initiated during 2010/11, with it being signed in November 2013 and reviewed without amendments in 2014/2015. The SDA outlines the relationship between HCT and the City of Tshwane with respect to the discharging of the social housing delivery mandate. The SDA also indicates the roles and responsibilities of both the HCT and the City of Tshwane, the land development process (including future social housing projects to be developed and managed by HCT). In addition, the SDA also governs amongst other things the

deliverables and performance milestones expected from HCT as the City's social housing delivery agent, and also stipulates the financial and other support to be given to HCT by the City of Tshwane.

- With the finalisation of the service level agreements between the City and HCT in June 2014 for the management and maintenance of Clarina residential complex and eight other rental properties, the entity begun implementing management processes as outlined in the SLAs for the transferred rental stock. However the actual implementation of the management of properties was halted due to the state of properties envisaged for transfer being in excess in relation to HCT's capacity at the time. In the period under review this process was resumed after the appointment of the CEO and COO. Silwers (units) is currently under HCT management.
- The currently approved service delivery agreement between the City and Housing Company Tshwane states that the entity should deliver social housing and affordable rental housing as a contribution to the housing demand in the city. In the period under review, Townlands and Timberlands have been taken to detailed designed stage and will be ready for construction stage in 2016/17.

Provision of services by the entity

- The entity currently offers affordable rental housing to the general market through its Eloff Building. Housing Company Tshwane is also mandated with the management and maintenance of Clarina residential complex, a City of Tshwane-owned residential property.
- These abovementioned properties are the rental stock under HCT management, while there is an incremental programme to increase HCT rental stock by transferring the City's rental stock to HCT for management as well as the plans by the entity to commence with development of its own social housing units during the 2015/16 financial year.

Other key service delivery improvements

Key service delivery highlights for the period under review were as follows:

- The company continued to successfully manage Eloff Building, a 95-unit residential building owned by Housing Company Tshwane, with a 95% occupancy rate.
- The entity was also managing the Clarina residential complex, an asset of the parent municipality, the City of Tshwane, sustainably.
- Conditional accreditation by the Social Housing Regulatory Authority (SHRA) was retained throughout the period, with submissions of interest for social housing funding submitted during the year.
- The CEO was appointed on 1 July 2016 and the COO was appointed on 1 September 2016.
- Policies were either developed or reviewed and approved by the board.
- Detailed designs and planning for Townlands and Timberland were done.
- An organisational performance management system was developed.
- A balanced scorecard was developed.

- The strategic review session was held and the strategic plan updated.
- The branding exercise commenced with the purchase of new banners.
- A performance management system was being implemented.
- The HCT organogram was being updated.
- A brownfield building, Silwer (121 units) was transferred to HCT.
- The City of Tshwane's OHS regulations was being compiled with an HCT-appointed safety officer.

SUMMARY OF FINANCIAL PERFORMANCE AND POSITION

A deficit of R1 695 953 was recorded for the current financial year versus a surplus of R2 494 618 in the previous financial year.

Net assets were valued at R33 829 765 for the current financial year versus R35 525 718 in the previous financial year. The current liabilities exceeded the current assets by R6 675 157 compared to the previous financial year where the liabilities exceeded the assets by R23 237 861.

SCORECARD PERFORMANCE

The entity had 11 KPIs relevant to the 2015/16 financial year. A total of 6 out of the 11 KPIs (54,5%) achieved their planned targets. In the previous financial year the entity achieved 15 out of 22 (68,2%) KPIs against the planned targets.

The detailed tables regarding the KPIs and other performance results have been inserted under section J of this document.

B ROADS AND TRANSPORT

INTRODUCTION

The Transport Department is responsible for the provision of an efficient and sustainable roads and transport infrastructure system in Tshwane. This department contributes towards the City's Outcome 1 of Tshwane Vision 2055: A resilient and resource-efficient City.

Specific departmental programmes supporting Tshwane Vision 2055 regarding mobility were the following:

- Promoting public transport, walking and cycling
- Provision of a quality mass transportation system through the roll out of the bus rapid transit across the city
- Environmentally-friendly transport system and modes
- Transport infrastructure provision for backlog and growth
- Airport management services

1 ROADS AND STORM WATER

Provision of roads and storm water infrastructure was identified in the 2011 – 2016 IDP as a key priority in terms of both service delivery and economic infrastructure. Roads and storm water infrastructure is a critical element of services required for the proclamation of townships. In the 2015/16 financial year –

- 3 036,6 km of gravel roads was completed; and
- 37,863 km of roads at full-level service was constructed.

During the 2015/16 financial year, a total length of 36,464 km of new storm water measures was provided that meets the service standards. These storm water drainage systems were implemented according to a priority list in a number of areas.

Storm water master plans (SMPs) comprising the planning and prioritisation of all required storm water drainage systems (routes, sizing, estimated costs, etc) in all the backlog areas of the previous City of Tshwane area were completed.

2 TRANSPORT

The City aims to enhance the quality of life of all people in Tshwane through a developmental system of local government and by rendering efficient, effective and affordable transport services.

The following components formed part of the City's transport services:

- Transport Operations
- Transportation Planning
- Transport Infrastructure Design, Construction and Maintenance
- Tshwane Bus Services
- Tshwane Airport Services
- Integrated Public Transport Network (Specialised Unit)

TSHWANE BUS SERVICES

Tshwane Bus Services (TBS) is a specialised unit of the City of Tshwane's Department of Transport. It was established mainly for the delivery of social services.

TBS has 3 depots with a fleet size of 348 buses, including 120 new MAN buses. Shifts are divided amongst the 3 TBS depots, namely C de Wet, Jan Niemand Park and Pretoria North. There are 278 routes radiating from the city centre. The operations are within a radius of about 15 km of the city centre. There are 185 school routes, 95 normal routes and 2 contracted routes, as well as 2 212 planned trips per day and 234 shifts.

Table 23: Tshwane Bus Services data

Municipal bus service data			
	Details	2015/16	
		Estimate number	Actual number
1	Passenger journeys	5 000 000	3 370 359
2	Seats available for all journeys	20 000 000	18 125 000
3	Average unused bus capacity for all journeys	13 000 000	14 754 641
4	Size of bus fleet at year end	328	348
5	Average number of buses off the road at any one time	168	173
6	Proportion of the fleet off-road at any one time	51%	52,7%
7	Number of bus journeys scheduled	502 750	502 750
8	Number of journeys cancelled	0	153 011
9	Proportion of journeys cancelled	0%	30,4%

The table below presents achievements of the department for 2015/16.

Table 24: High-level achievements of the department for the 2015/16 financial year

Highlight	Narrative
Traffic calming projects through (Operation Kuka Maoto)	Traffic calming projects were undertaken as per priority list agreed with War Room administration. Construction was done by the regional departmental in-house construction team. List includes a mixture of resolutions from petitions, community engagement requests and traffic-calming priority lists. The corporate instruction to use full budget (3 m) by December 2015 was largely adhered to.
Completion of ITP: Comprehensive integrated transport planning	<p>The department achieved the completion of the comprehensive integrated transport plan (CITP) 2015 – 2020 when it was approved by the Council at its meeting of 27 June 2016. The CITP is a statutory plan required by the National Land Transport Act, 2009 (Act 5 of 2009) and the Gauteng Transport Framework Revision Act, 2002 (Act 8 of 2002) to guide transport development and operations in the city. It addresses all transport modes, including air. As a sector plan it must also take into account provincial and national plans.</p> <p>The project for the development of the CITP started in June 2012 and was done with detailed involvement of appropriate role payers, including those from other departments working in the planning, traffic, transport functions from various departments in the City of Tshwane through the Technical Committee and eight working groups. It reached stakeholders which include spheres of government and their agencies, transport operators and the general public.</p>
Procurement of buses	The department has spent to date R264 million in procuring 120 Euro 5 standard buses with low-fuel consumption and carbon emissions. They also exhibit high levels of security and reliability and normal regular maintenance costs.

WONDERBOOM AIRPORT

The Wonderboom Airport has been in existence for approximately 77 years and is one of the most important general aviation airports in South Africa. Currently it is the only recognised commercial airport in Tshwane.

The airport provides aviation connections to other cities and regions within southern Africa by accommodating scheduled flights, charter services and private aviation. The airport is also one of the major centres in South Africa for providing aviation training.

Wonderboom Airport is open to the public and schools are encouraged to visit the airport. The Adrenaline Show held during June attracted thousands of visitors. The open day preceding the event was attended by more than 5 000 school pupils.

The airport accommodates a number of companies involved in the manufacturing, servicing and refurbishment of aircraft and helicopters.

C PLANNING AND DEVELOPMENT

This section of the report focuses on the work of the City Planning and Development Department and the Economic Development Department. The Tshwane Economic Development Agency (TEDA) is a municipal entity that contributes to the City's economic development objectives.

1 PLANNING

INTRODUCTION

Through the City Planning and Development Department, the City provides guidance on the design and development of the Municipality's spatial form by leading spatial transformation through land-use management, spatial planning, development management and facilitation, built environment projects and enforcement of land-use legislation, to create an efficient capital city.

The department delivers an outstanding service to the community by responding to and solving their queries with regard to street names, the allocation of street addresses and the approval of new street names throughout the city. The statistics as set out below provide a clear indication of the impact of the department's activities on the daily lives of the community.

Street naming enquiries

- A total of 356 street naming enquiries were handled.
- These enquiries resulted in the correction of 2 218 street code records, the correction of 10 832 incorrectly linked street name records and the correction of 10 707 missing street name records.

Local geographical names projects

- 48 naming reports served before the Local Geographical Names Committee (1 857 names).
- 45 naming reports were approved by Council (1 748 names), 4 projects were township specific (84 names) and 41 reports related to the population of the Geographical Names Bank (1 664 names).
- 3 reports served before Council on 30 June 2016, dealing with names to populate the Geographical Names Bank (109 names).
- There were 2 495 approved names in the Geographical Names Bank.

Physical addresses

- A total of 19 376 address enquiries were completed.

- 422 new duet plans were prepared.
- 40 564 addresses were captured.
- 77 659 addresses were modified.

Allocation of approved names (implementation)

- 4 township-specific reports were approved and implemented (174 names).
- 33 projects were implemented by allocating names selected from the Geographical Names Bank (261 names).

The department also ensured that the correct zoning information was captured for all properties within the jurisdiction of the City of Tshwane. This enabled, amongst others, the community and developers to know what their land-use rights were on a particular property and created a secure new Tshwane town-planning scheme.

LAND-USE APPLICATIONS RECEIVED

The table below indicates the statistics on land-use applications received and processed during the 2015/16 financial year.

- 585 consent use applications were received.
- 437 rezoning applications were received.
- A total of 4 835 land-use applications were received and processed.

Table 25: Land-use applications received

TYPE OF APPLICATION	REGIONS								TOTAL
	1	2	3	4	5	6 NORTH	6 SOUTH	7	
Consent use: General (clause 16)	30	21	64	22	11	47	35	5	235
Clause 6: Peri urban	0	0	0	0	0	0	0	1	1
Permission: Second dwelling (clause 14(10))	8	4	7	24	12	32	30	4	121
Application for permission	37	14	14	64	24	23	52	0	228
TOTAL: CONSENT USES	75	39	85	110	47	102	117	10	585
TOTAL: SIMULTANEOUS CONSENT USE	1	0	0	4	0	0	0	0	5

TYPE OF APPLICATION	REGIONS								TOTAL
	1	2	3	4	5	6 NORTH	6 SOUTH	7	
AND REMOVAL OF RESTRICTIVE CONDITIONS (Act 3 of 1996)									
TOTAL: SUBDIVISIONS	13	4	10	21	2	39	37	2	128
TOTAL: CONSOLIDATIONS	11	1	26	12	2	20	16	0	88
TOTAL: SIMULTANEOUS SUBDIVISION AND CONSOLIDATION	1	1	4	1	0	0	0	0	7
TOTAL: COUNCIL SUBDIVISION AND CONSOLIDATION	0	1	1	0	0	0	1	0	3
TOTAL: DIVISIONS	3	1	2	8	9	9	18	1	51
TOTAL: REMOVAL/AMENDMENT/CONSENT OF RESTRICTIVE CONDITIONS (Act 3 of 1996)	1	8	2	35	4	25	9	1	85
Removal: Section 16(2)			5	4		2	9		20
Rezoning									
Section 28 (Council)	0	0	2	0	0	1	10	0	13
Section 56	21	12	74	58	4	85	53	9	316
Simultaneous rezoning and removal of restrictive title conditions (Act 3 of 1996)	0	2	14	9	1	7	35	0	68
Section 16(1)	2	0	15	9	3	14	12		55
TOTAL REZONINGS	23	14	90	76	8	107	110	9	437
TOWNSHIP ESTABLISHMENT									
Section 96(1)	8	13	7	33	0	0	4	0	65
Section 96(4)	0	2	0	7	0	0	1	0	10
Section 107 (Tshwane townships)	1	0	1	1	0	0	0	0	3

TYPE OF APPLICATION	REGIONS								TOTAL
	1	2	3	4	5	6 NORTH	6 SOUTH	7	
Section 88(1): Extension of boundaries	0	0	0	0	0	0	2	0	2
Section 16(4)	0	4	0	6	0	0	1	0	11
TOTAL: TOWNSHIP ESTABLISHMENT	9	19	8	47	0	0	8	0	91
AMENDMENT AFTER APPROVAL OF A TOWNSHIP									
Administrative amendments to layout plan and/or conditions of establishment	28	4	0	105	2	10	18	0	167
Section 100: Amendment to layout plans and/or conditions of establishment	4	2	0	9	0	0	9	3	27
Section 99: Division of townships – number of phases	0	0	0	13	0	0	1	0	14
Ordinance 25 of 1965 (section 66A)	0	0	0	0	0	0	7	0	7
TOTAL: AMENDMENT AFTER APPROVAL OF A TOWNSHIP	32	6	0	127	0	10	35	3	215
TOTAL: RESTRICTION OF ACCESS	0	0	0	0	0	0	0	3	3
TOTAL: EXTENSION OF TIME	96	21	8	114	24	35	54	18	370
SDP	85	32	50	30	2	258	425	0	882
APPLICATIONS RECEIVED	350	134	285	619	94	487	829	47	2 845
APPLICATIONS PROCESSED	350	134	285	619	94	487	829	47	2 845

The following tables provide the statistics on land-use applications finalised during the 2015/16 financial year.

Table 26: Land applications finalised

APPLICATIONS FINALISED									
TYPE OF APPLICATION	REGIONS								TOTAL
	1	2	3	4	5	6 NORTH	6 SOUTH	7	
CONSENT USES									
Consent use: General (clause 16)	5	8	21	24	2	19	12	1	92
Clause 6 : Peri urban	0	0	0	0	0	0	4	1	5
Permission: Second dwelling	2	3	9	20	5	25	28	0	92
Permission: General	22	4	20	20	3	6	5	3	83
TOTAL: CONSENT USES	29	15	50	64	10	50	49	5	272
SIMULTANEOUS CONSENT USE AND REMOVAL OF RESTRICTIVE CONDITIONS	0	1	0	3	0	0	0	1	5
SUBDIVISIONS (Ordinance 15 of 1986)	11	2	13	10	2	18	23	3	82
CONSOLIDATIONS	4	1	16	8	1	7	19	1	57
TOTAL: COUNCIL SUBDIVISION AND CONSOLIDATION	0	1	0	0	0	0	0	0	1
SIMULTANEOUS SUBDIVISION AND CONSOLIDATION	1	2	2	9	1	4	8	0	27
DIVISIONS	3	5	4	7	5	6	7	0	37
REMOVAL/AMENDMENTS/ CONSENT OF RESTRICTIVE CONDITIONS (ACT 3 OF 1996)	3	5	3	35	5	21	9	2	83
REZONINGS									
Section 28 (Council property)	2	1	0	0	0	0	17	1	21
Section 56	24	12	47	36	4	29	48	3	203
Simultaneous rezoning and removal of restrictive title conditions	0	3	8	16	4	2	52	1	86
TOTAL: REZONINGS	26	16	55	52	8	31	117	5	310
TOWNSHIP ESTABLISHMENT									

APPLICATIONS FINALISED									
TYPE OF APPLICATION	REGIONS								TOTAL
	1	2	3	4	5	6 NORTH	6 SOUTH	7	
CONSENT USES									
Section 98(1)	7	5	10	24	10	20	8	0	84
Section 108 (Tshwane townships)	0	1	0	3	1	1	2	0	8
TOTAL: TOWNSHIP ESTABLISHMENT	7	6	10	27	11	21	10	0	92
AMENDMENT AFTER APPROVAL OF A TOWNSHIP									
Administrative amendment to layout plan and/or conditions of establishment	23	22	24	133	4	21	15	1	243
Amendment application (section 100)	1	0	1	5	0	2	2	3	14
Division (section 99) – number of phases	0	10	1	3	0	0	0	0	14
Ordinance 25 of 1965 (section 66A)	0	2	0	4	0	0	13	0	19
TOTAL: AMENDMENT AFTER APPROVAL OF A TOWNSHIP	24	34	26	145	4	23	30	4	290
TOTAL RESTRICTIONS OF ACCESS	0	2	0	0	0	0		0	2
WITHDRAWN	0	51	0	2	0	7	37	0	97
EXTENSION OF TIME	86	74	29	108	8	56	73	25	459
SDP	83	81	21	35	21	88	243	5	577
TOTAL APPLICATIONS FINALISED	277	293	229	514	76	332	563	51	2335

Table 27: Building control, building plan applications and inspection management

Particulars	Previous financial years (2009/10 to 2011/12)	2012/13	2014/15	2015/16	Total achieved
Building plan applications received	40 074	19 529	20 140	13 012	92 755
Building plan applications approved	33 502	14 406	16 248	11 267	75 423
Site development plans submitted	2 905	938	871	786	5 500
Site development plans approved	1 733	611	536	2 641	5 521
Encroachment and height relaxation applications received	6 474	2 540	2 643	2 641	14 298
Encroachment and height relaxation applications approved	4 829	1 756	2 298	2 519	11 402
Building-related inspections conducted	112 360	40 168	39 772	35 902	228 202
Building-related kilometres travelled	930 411	380 715	360 549	367 213	2 038 888
Contravention notices served	3 825	898	833	868	6 424
Occupation certificates issued – residential	13 601	6 362	7 283	4 560	31 806
Occupation certificates issued – non-residential	373	141	217	100	831
Occupation certificates issued – additions and alterations to existing residential and non-residential buildings	4 602	1 731	1 250	1 378	8 961
Approved construction area (N)	5 044 612	2 140 964	2 727 782	2 414 801	12 328 159

GEOMATICS SERVICES

Geomatics is a professional discipline and refers to the integrated measurement, capturing, analysis, management and display of spatial data. Geomatics activities in the City of Tshwane ensure an accurate land and engineering surveying system and geospatial information service centres in the regions.

Geomatics pilot study

The Geomatics Section championed a pilot study on asset management towards achieving the goal of sustainable urban development and financial sustainability.

The benefits of the study as well as the applied methodology included:

- Engineering infrastructure age analysis, and cost, location, components and condition assessment.
- Linkage between billing information and real-life development through 3D modelling of the physical environment. Property valuation intelligence provided evidence for correct valuations, and at the same time security of revenue was enhanced through improved comprehension of utility consumption patterns and levels linked to a live 3D urban development view.
- Quantification of infrastructure capacity for the current development footprint as well as future projects.
- Proactive planning for infrastructure replacement or rehabilitation, which is significant for capital investment planning and service delivery responses to our citizens.

2 ECONOMIC DEVELOPMENT

INTRODUCTION

The City ensures that Tshwane has a viable, sustainable economy that can improve the quality of life of its communities through the development of a competitive and sustainable economic sector that is characterised by growth and the creation of employment opportunities for all, ultimately allowing the City to compete in the global economic arena.

The Economic Development Department aims to ensure accelerated and shared economic growth and broad participation by all. The Tshwane Economic Development Agency (TEDA) also contributes towards the objective of local economic development. The City prioritised the following economic sectors:

- Automotive and components
- Tourism and related services
- Agriculture and agro-processing
- Business process outsourcing (BPO)
- Mining and mineral beneficiation
- Aerospace

EXPANDED PUBLIC WORKS PROGRAMME (EPWP)

The Economic Development Department coordinated the citywide implementation of the EPWP in terms of the City of Tshwane's EPWP policy.

The following table compares job creation through EPWP projects since 2011/12.

Job creation through EPWP projects – 2015/16

Job creation through EPWP projects	
	Jobs created through EPWP projects
Details	Number
2011/12	19 001
2012/13	20 386
2013/14	32 420
2014/15	42 026
2015/16	30 369

TOOLING CERTIFICATION AND AWARD-GIVING CEREMONY

On 19 April 2016, the City of Tshwane, together with the National Tooling Initiative Programme (NTIP), held an award-giving ceremony to honour the 78 learners who successfully completed the toolmaking foundation level programme.



SUPPORT TO SMALL, MEDIUM AND MICRO ENTERPRISES (SMMEs) AND COOPERATIVES

During the 2015/16 financial year, 5 138 SMMEs, both existing and emerging, were supported through various business support initiatives provided by the City in partnership with, amongst others, the University of Pretoria, the Small Enterprise Development Agency, the Department of Trade and Industry, as well as the Gauteng Enterprise Propeller, against a set target of 4 500.

These initiatives included the provision of business advisory services, enterprise development capacity-building services, business-planning support services, quality assurance services and export awareness programmes, mainly at the SEDA-City of Tshwane business support centres located in Mabopane, Sekampaneng, Bronkhorstspuit, Olievenhoutbosch, Atteridgeville and Mamelodi.



Figure 4: Strategic Executive Director: Economic Development, Ms Tembeka Mhleka (far left), with MMCs and the “I am an Entrepreneur” delegation

BUSINESS INCUBATION

A number of SMMEs operating in the automotive, construction and light manufacturing sectors of the economy were incubated. City-funded business incubators are located in Ga-Rankuwa (automotive sector), Atteridgeville (construction sector) and Soshanguve (light manufacturing). Technical and business training, mentorship, technology transfer, operating infrastructure and back office support were among the development and support services provided to incubates in the 2015/16 financial year.

A total of 120 SMMEs were supported through the South African Manufacturing Technology Demonstration Centre in Soshanguve during the 2015/16 financial year. These SMMEs generated 38 direct jobs.

During 2015/16, the Economic Development Department continued to sustain the Ga-Rankuwa Automotive Cooperative, which was part of the City’s business incubation programme to support the development of SMMEs in the after-market segment of the automotive industry. The cooperative provided some of the City’s fleet with mechanical and auto body repair services. The City provided the cooperative with market access opportunities in excess of R2 million. This support was consistent with Outcome 2 of Tshwane Vision 2055, namely to create

a growing economy that is inclusive, diversified and competitive. SMMEs in Ga-Rankuwa benefitted from this initiative.



Figure 5: Metro Police vehicles awaiting repairs at the Ga-Rankuwa Automotive Cooperative

TSHWANE BPO PARK SOD-TURNING CEREMONY

The City of Tshwane hosted a successful sod-turning event for the Tshwane BPO Park on 18 April 2016.

The Tshwane BPO Park is set to be a game changer in the BPO space and will see Tshwane gaining first-mover advantage over other regions in accelerating industry growth, attracting private and public investment, facilitating job creation, skills and infrastructure development and positioning Tshwane as the BPO location of choice for local and global BPO operators. The initiative is also set to position Tshwane as an alternative and ideal investment location.

BURSARY FUND

On 14 December 2015, the Executive Mayor of Tshwane officially launched a bursary fund at the Council for Scientific and Industrial Research (CSIR). A total of 140 children of informal traders were awarded the bursary, as part of the first intake to study at an institution of their choice in the 2016 academic year.

TSHWANE ECONOMIC DEVELOPMENT AGENCY (TEDA) – ENTITY

The Tshwane Economic Development Agency (TEDA) is a state-owned company that was established on 2 November 2006 and is solely owned by the City of Tshwane. TEDA is largely governed by the Companies Act, 2008 (Act 71 of 2008); the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), as amended; and the Local Government: Municipal Finance Management Act, 2003 (Act 53 of 2003), as amended, and its regulations.

TEDA was formed to be a key driver in accelerating economic growth and job creation in the Tshwane area. As a consequence, the performance that is reported in this annual report is measured against this mandate. As part of its economic growth and development mandate, TEDA also seeks to promote direct investment in Tshwane by foreign and national businesses. The mandate also extends to the management of project implementation in respect of the City's catalytic projects geared towards changing the economic development landscape of Tshwane.

The service delivery agreement between TEDA and the City serves as TEDA's mandate. TEDA concluded an organisational development exercise. This was undertaken to provide guidance on an appropriate organisational structure and skills set for the entity to deliver on its mandate.

TEDA's core business components are:

- Projects portfolio management
- Property and asset management

SERVICE DELIVERY PERFORMANCE

The 2015/16 financial year marked the year in which TEDA started moving towards a service delivery focus. This was evidenced by TEDA assuming a project management role and visible facilitation of investment in Tshwane. In the previous years, these core areas were invariably a challenge for the agency.

The Agro-processing Hub project is a flagship project for TEDA and the first of such magnitude since the inception of the agency. As a game changer, the hub has an economic potential in the order of R5 billion. Its huge potential for job creation is expected to undermine the scourge of unemployment. TEDA successfully concluded detailed feasibility studies with the assistance of the CSIR. The business plan for the project was concluded and the infrastructure designs were about to be finalised. In this project, TEDA demonstrated its capacity to engage strategic funding partners. TEDA managed to raise R4 million for infrastructure through the Gauteng Infrastructure Funding Agency (GIFA).

TEDA was also poised for the delivery of two catalytic projects on behalf of the City of Tshwane, namely the BPO Park and the Caledonian Inner Park. In addition, TEDA embarked on a development facilitation role in respect of another game-changing project for the City, namely the Tshwane Freight and Logistics Hub in the south of Pyramid. This project is aimed at promoting cargo mobility through the use of rail and road. It is intended to produce a multimodal terminal that will also include air traffic of cargo, thus linking Wonderboom Airport to the hub's terminal operations.

A small-scale project in the form of the refurbishment of a dilapidated building in the Groenkloof Nature Reserve was begun to turn the building into an accommodation facility to promote tourism in Tshwane. The project was commissioned to a Tshepo 10 000 cooperative. This is seen as the foundation for future provision of medium to large-scale accommodation in the reserve, which is within walking distance of the CBD.

As for investment promotion, TEDA successfully facilitated investment to the tune of R520 million by an agri-business with massive processing plants internationally. Through this investment, 550 permanent jobs were created in Tshwane.

TEDA together with the City of Tshwane hosted the Tshwane International Trade and Infrastructure Investment Conference (TITIIC) at the CSIR International Convention Centre from 17 to 19 May 2016. The meeting served to connect leaders of business and government from key economic sectors, both domestic and international, regarding business prospects in Tshwane. TEDA followed this up by pursuing the leads established at TITIIC so as to turn them into actual investments.

TEDA also hosted three business delegations: Germany, Hungary and Nigeria.

In the year under review, TEDA undertook two missions abroad, taking along local businesses so they could sell their products and services. The first mission was to Nigeria for the Dental and Beauty Africa Exhibition. For this exhibition, TEDA secured financial assistance to the tune of R1,3 million through the Department of Trade and Industry's Export Marketing Incentive Assistance (EMIA) scheme. This mission was followed by another in South Korea, for which TEDA again successfully secured an EMIA grant, this time to the tune of R1,2 million.

In the quest to support SMMEs, TEDA hosted two events, namely the annual SMME Fair and the Youth Entrepreneurs Drive, in partnership with enterprise development agencies and funding partners. These initiatives were instrumental in graduating local businesses to higher levels by way of access to funding and participation in international markets as explained above.

TEDA in conjunction with the Department of Trade and Industry hosted the Export Capacity Workshop from 2 to 4 March 2016.

SUMMARY OF FINANCIAL PERFORMANCE AND POSITION

A deficit of R363 957 was recorded for the financial year under review compared to a surplus of R1 135 377 in the previous financial year.

Net assets were valued at R8 229 914 for the reporting period compared to R8 593 871 for the previous financial year. The 2015/16 assets exceeded the liabilities by R3 765 390 compared to the 2014/15 assets, which exceeded the liabilities by R1 436 360.

TEDA started implementing the financial sustainability model that was developed in the 2014/15 financial year. It guided TEDA in exploring multiple sources of revenue to augment the grant received from the City. The model was to be reviewed in due course in line with developments such as the migration of the property and asset management function to a newly established department in the City of Tshwane. This would also require the approval of TEDA's mandate in respect of this function. However, TEDA would still have a role to play in the management of assets and properties, particularly those earmarked for investment promotion.

SCORECARD PERFORMANCE

In terms of performance against its business plan, TEDA was constant in achieving its performance targets. In the 2014/15 financial year, TEDA achieved 22 out of 28 (78,6%) of its planned targets. In the period under review, the entity achieved 13 out of 16 (81,3%) KPIs as per the revised 2015/16 business plan. The 13 KPIs achieved included investment facilitated by TEDA to the value of R520 million, which had been a difficult KPI to accomplish in prior years. For the first time, TEDA was able to achieve the target, which contributed directly towards the SDBIP target of "Number of income-earning opportunities facilitated by TEDA". The entity's target for the year was 300 earning opportunities, but 584 opportunities were actually created as a result of the set investment facilitated by TEDA as well the refurbishment work in the Groenkloof Nature Reserve.

Detailed tables regarding the KPIs and other performance results have been inserted in section J of this document.

3 TSHWANE FRESH PRODUCE MARKET

The Tshwane Fresh Produce Market forms part of the Environmental Management Department. The market is a valuable contributor to economic development and growth in the city.

Below is a performance summary of the Tshwane Fresh Produce Market.

GROWTH IN TURNOVER

Turnover grew by 18,52% in the reporting year, that is from R2 606 billion in 2014/15 to R3 088 billion in 2015/16. Tshwane Market achieved a market share of 21,95% in the 2015/16 financial year. Since the market operates in a very competitive environment, any growth in market share is seen as a major achievement.

GROWTH IN TRADED VOLUME

The traded volume (in metric tons) declined slightly compared to the previous financial year, that is from 635 440 metric tons in 2014/15 to 633 209 metric tons in 2015/16. The decline was due to the extreme drought that hit the country during the 3rd and part of the 4th quarter of 2015/16. Less produce was available and distributed to the market. This was an industry trend. Industry growth for the mentioned period was 2,91%.

MARKET AGENCIES

A total of nine market agencies traded at the Tshwane Market. A second BEE market agency started operating in the 2015/16 financial year. The new agency expanded the economic base of the Tshwane Market and also acted as a platform to link emerging farmers in the City's Sustainable Agricultural Villages as well as other emerging farmers who operate individually or as cooperatives, to the formal agricultural value chain and business.

SUPPORT TO FRESH PRODUCE ENTREPRENEURS

Tshwane Market embarked on a programme to empower previously disadvantaged groups to ensure that the market is transformed and that emerging entrepreneurs have access to formal markets. The market has an annual programme for the training of entrepreneurs. In the year under review, 92 were trained in various skills as part of this programme, which has the following modules:

- Module 1: Post-harvest technology and product knowledge
- Module 2: Food safety and personal hygiene
- Module 3: Small business and administration management
- Module 4: Financial management for SMMEs

Market management as far back as 2000 decided to plough back time and money to assist and develop fresh produce informal retailers through a training initiative. A training programme for informal traders was developed in conjunction with the University of Pretoria and QC Fresh. This programme was launched in 2002, when 40 informal traders were trained. To date, 742 informal traders received training.

The ultimate goal with this training is to develop and assist small buyers to take the important step from informal business to viable and established formal business. Apart from the training that is provided to the informal

traders, the Tshwane Market also assists the fresh produce retailers in other areas. It runs a programme that provides assistance to informal buyers who apply for state tenders in the following areas:

- Access to the market's database on prices and trends
- Drafting business plans in order to obtain access to funds
- Linkage to vehicle rental companies in order to sort out transport problems
- Negotiation for the best bank charges for individuals/groups who open bank accounts

INFRASTRUCTURE PROJECTS

The industry's demand on markets requires that proactive measures must be in place for the Tshwane Market to remain a leading distribution centre in a marketplace that has been deregulated and favours private enterprise. Facilities at the market must therefore be upgraded and extended continuously.

The following infrastructure improvement projects were carried out by the Tshwane Market in the 2015/16 financial year:

Upgrading and extension of facilities (R4 500 000)

The main capital works executed in the 2015/16 financial year were the upgrading of the change rooms for workers, the client servicing center in Hall A, the upgraded consignment office at the eastern entrance of the market, new perimeter walls on the eastern side of the market, the installation and rehabilitation of the offloading area on the eastern side of Hall B, and commissioning of a new 500 kVA substation for Hall A.

Upgrading of the market trading system (R5 500 000)

A market trading system that is wholly owned and managed by the Tshwane Market was being developed. The functional and technical specifications were completed in the reporting year and the programming commenced. The project was to be completed in the 2016/17 financial year.

Regional trade

The market was constantly looking into new business opportunities to expand its market share. As part of the market's client development programmer, 14 international buyers (from Zimbabwe, Mozambique and Namibia) were developed in the previous financial year. In the 2015/16 financial year, these buyers contributed an average of about R1, 6 billion in turnover per month.

Towards its Zero Waste to Landfill Programmed, the Tshwane Market started separating and diverting its organic waste from produce that was discarded and unfit for human consumption to a bio digester plant in Bronkhorstspuit. This was complemented by a waste buy-back center on the premises, which in the main recovered paper and other recyclables before the waste was decanted into a skip bin destined for the bio digester plant.

The market estimated it would divert more than 280 000 tons of organic waste per annum to the bio digester plant and more than 14 000 tons of recyclable waste through the recyclable waste recovery facility at its premises.

D COMMUNITY AND SOCIAL SERVICES

INTRODUCTION

In line with the National Development Plan and Tshwane Vision 2055, the provision of social services and amenities remains an important element in ensuring sustainable communities. The following community and social services provided by the City of Tshwane are discussed in this section of the report:

- Libraries
- Parks
- Cemeteries
- Indigent burials
- Environmental management

City of Tshwane departments provide the infrastructure, and the regions manage and maintain the facilities provided.

Another component of social services, sport and recreation, is discussed in Component G of this report in accordance with the guidelines of National Treasury Circular 63.

1 LIBRARIES

The Sport and Recreational Services Department aligns with and contributes to Outcome 4 of the Tshwane Vision 2055: *“An equitable city that supports human happiness, social cohesion, safety and healthy citizens.”*

LIBRARY PROGRAMMES

The Sport and Recreational Services Department presented four library programmes, six heritage programmes, eight art and cultural programmes, and eleven sport development programmes during the 2015/16 financial year.

READATHON PROGRAMME

The Readathon programme was presented on 20 October 2015 at Suurman Community Hall. This event is celebrated once a year by the Library and Information Services Division to promote reading and libraries in general.

The theme for this year event was “Celebrating the importance of South African Sign Language”. The Library Division identified a challenge that faces both deaf library users and the officials who must provide a service to all members of the public. The programme endeavoured to highlight this service delivery challenge and to find ways to address it collectively with the people who have these special needs.

SOUTH AFRICAN LIBRARY WEEK

Librarians across South Africa hosted Library Week events in March to highlight the services and resources that are available at their facilities. Members of the public were encouraged to visit their libraries during this period and to participate in these activities. Library Week activities were also held across the city, culminating in the main event at Ekangala Community Hall on 30 March 2016. At least 250 people attended this event: 200 learners and 50 officials from various departments from inside and outside the City of Tshwane. The event was hosted under the theme “libraries4lifelonglearning”.

WORLD BOOK DAY

The Library and Information Services Division celebrated World Book Day on 24 May 2016. This event was held at Es’kia Mphahlele Library Hall. The theme for this year was *#MyTreasureMyStory*.

A total of 140 learners were invited from local schools in Region 3 and accompanied by their teachers. The following schools attended:

- Makgatho Primary school
- Eendracht Primary School
- Berea Park Independent School
- Elandspoort High School
- Christian Progressive College
- Seaparankwe Primary School

BORN TO READ PROGRAMME

The Born to Read event was held on 18 February 2016 at Winterveld Community Library/Hall. This event was a family literacy programme that targeted parents from Winterveld and surrounding areas on how to integrate books into their babies’ lives. The event aimed to inculcate a culture of reading in the region and ultimately in all Tshwane communities.

2 ENVIRONMENTAL MANAGEMENT

INTRODUCTION

This section of the report focuses on key environmental management functions, including the provision of recreational facilities, cemeteries and air quality management.

ENVIRONMENTAL EDUCATION

The Environmental Management Services Department is responsible for implementing internal and external environmental education programmes. These programmes are conducted to ensure greater corporate environmental responsibility as well as to sensitise communities and capacitate them to take responsibility for their environmental actions. Tshwane Vision 2055 commits Tshwane to becoming a resource-efficient city that manages consumption needs and the demand and supply of limited resources to a quality and quantity that ensure service delivery and the well-being of residents. Vision 2055 recognises that public awareness and participation is critical in order to attain the stated commitment.

The basic aim of environmental education programmes is to make Tshwane citizens and communities understand the complex nature of the natural and built environments that result from the interaction of their biological, physical, social, economic, and cultural aspects, and for them to acquire the knowledge, values, attitudes and practical skills to participate in a responsible and effective way in anticipating and solving environmental problems that include managing the quality of the environment. Through the education programmes, a number of municipal officials attended environmental training that was crafted to create understanding of the impact of municipal operations on the environment, and communities were educated on the sustainable use of natural resources.

As part of the education programme, the department has coordinated the City of Tshwane's participation in various national and provincial greening campaigns and/or competitions. Listed below are some of the successes attained by the City in the past five years.

(a) Greenest Municipality Competition 2016

The City of Tshwane qualified to participate in the Greenest Municipality Competition (GMC) by virtue of the City winning the first prize in the Bontle ke Botho campaign – Gauteng's Clean and Green Campaign – in the 2012/2013 financial year. The City of Tshwane was awarded the position of second runner-up in the GMC and won prize money to the value of R2,5 million. The prizes were announced in July 2016 at a prize-giving ceremony in Middelburg, Mpumalanga.

(b) Groen Sebenza Jobs Fund Programme (2013 to 2015)

The former Minister of Water and Environmental Affairs, now Minister of Environmental Affairs, Ms Edna Molewa, launched the ground-breaking R300-million Groen Sebenza project on 8 June 2013. The project focused on training, mentoring and workplace-based learning with the objective of building a pool of young and capable professionals for South Africa's biodiversity sector in order to boost job creation in the green economy. The City of Tshwane was one of the host partners, and this was formalised through entering into an intern placement agreement with SANBI which was signed by the City Manager on 13 June 2013. The Groen Sebenza programme ended in December 2015.

The City accommodated twelve interns through the Groen Sebenza Green Jobs programme. The interns were capacitated with necessary environmental skills, and by the end of the programme, five Groen Sebenza interns were permanently employed by the City and three by the private sector and/or other government departments. The City was commended at the final project steering committee meeting on being the best Groen Sebenza host organisation and on having prudently managed the Groen Sebenza programme resources as well as attaining the programme's objectives. The City was awarded a certificate.

MANAGING THE NATURAL ENVIRONMENT

The natural environment in Tshwane is managed through a variety of means and approaches. The City is committed to a discourse of "resource efficiency" as a means to achieve its environmental and sustainability objectives. As a result, it focuses on promotion of and compliance with the statutory framework governing environmental management issues as well as investment in the necessary infrastructure for environmental management. In addition to the national regulatory framework, the City established, among others, the following regulatory instruments in an attempt to ensure that its natural environment is managed accordingly for future generations:

- Air Quality Management Plan
- Green Buildings By-law
- Open Space Management Framework
- Waste Management By-law
- Bioregional Plan

The department also contributes to the City's environmental sustainability by providing advice from an environmental management viewpoint to aid decision-making on land use. These comments inform the decisions made the City in respect of land use. This includes comments that are provided regarding environmental impact assessment (EIA) applications delivered on behalf of the City as a commenting authority on development proposals, including those emanating from external/private developers, as long as they fall within the jurisdiction

of the Municipality. In most cases, the environmental management advisory comments have significantly influenced decisions taken by the City on various matters.

In terms of protecting its natural heritage, the City has over time established a system of protected areas in the form of nature reserves in order to manage its biodiversity and maximise ecosystem services. These nature enclaves perform a function beyond merely serving as popular entertainment areas. Some of these sites, such as Rietvlei and Groenkloof Nature Reserves, perform critical ecosystem services by preserving the integrity of the wetlands network and the infrastructure that provides potable water for Tshwane.



Figure 6: Giraffe (Groenkloof Nature Reserve)



Figure 7: Rhino (Rietvlei Nature Reserve)

A total of 11 445 hectares of nature areas are managed as part of the City of Tshwane's ecological infrastructure. This includes five sub-water catchments, 1 487 km of water courses and 31 important wetlands. These catchments include the following;

- 10 proclaimed nature reserves (legal protection)
- 13 fenced-off nature areas (physical protection)
- 13 bird sanctuaries
- 12 different habitat types
- 8 known red data species

The current total number of wildlife counted in the nature reserves is 2 813 (this includes three species of the big five, namely rhinoceros, buffalo and lion).

Removal of alien plants is regarded as a high priority. Greater capacity to combat this problem as well as more awareness in this regard are needed.

The number of visitors to the City's nature facilities is as follows (per annum):

Table 28: Number of visitors to the City's nature facilities

Facilities	Visitors
Nature reserves	282 396
Resorts	534 638
Total	817 034

AIR QUALITY MANAGEMENT

Through this programme, the City seeks to improve local air and atmospheric quality through monitoring priority pollutants and ensuring that the regulatory framework assists the development and implementation of low-carbon technologies while minimising environmental harm.

In order to achieve this objective, the City does the following:

- Manages greenhouse gas emissions from industrial sites and sources through issuing air emission licences and conducting inspections
- Improves the integrity and performance of the air quality monitoring network for sustainable ambient air quality management
- Reviews and implements the Air Quality Management Plan
- Promotes clean and healthy air campaigns such as the Follow the Smoke campaign

The City manages the following eight air quality monitoring stations:

Table 29: Air quality monitoring stations

Site name	Site type	Site classification
Bodibeng	Stationary	Residential and traffic
Booyens	Stationary	Residential and mining
Ekandustria	Stationary	Industrial
Mamelodi	Stationary	Industrial, residential and traffic
Olievenhoutbosch	Stationary	Residential
Pretoria West	Stationary	Industrial, residential, mining and traffic
Rosslyn	Stationary	Industrial
Tshwane Market Mobile	Mobile	Industrial and traffic

The following air quality parameters were monitored through the stations and reported in the national air quality information management system: PM10, sulphur dioxide, nitric oxide, nitrogen dioxide, mono-nitrogen oxides, carbon monoxide and ozone, wind speed, wind direction, ambient pressure, ambient temperature, relative humidity, solar radiation and rainfall.

As at the end of the financial year, the City's air quality monitoring stations were the only City stations that were reporting to the South African Air Quality Information System.

RECREATIONAL PARKS

The portfolio of play parks developed and managed by the City of Tshwane comprises more than 393 parks that are distributed across its seven regions. The majority of these parks are spatially concentrated in high-density regions, with the highest number of parks in Region 3, followed by Region 6 and Region 1.

At the beginning of the 2011–2016 Council term, the target of developing 87 parks was set for communities, and the programme was branded as the Two Parks per Ward Programme to highlight the intention of the Council that each ward would have at least two recreational parks by the end of the term.

The 2015/16 target to develop 21 parks was exceeded by 33% as 28 parks were developed. This took the total tally for parks development for the Council term to 92 parks, exceeding the target set for the term.

The programme achieved the following:

- 1 305 jobs were created through the programme.
- Some of the worst sites of illegal waste dumping were converted to aesthetically pleasing community amenities. This not only contributed to restoring dignity and a high quality of life, but also brought employment, skills transfer and the advantages of a green environment.
- R177 million of capital investment was made to previously disadvantaged areas through the programme.
- Through the 24-hour parks approach in the development of some of the parks, Tshwane's citizens and communities in general were directly involved in improving social amenities in their neighbourhoods.

CEMETERIES

Urbanisation is creating mutually reinforcing challenges of dwindling land for development of cemeteries and an increasing demand for accessible cemeteries in neighbourhoods where there is no available land. Over time cemeteries will be further away from the communities that use them.

There are 64 cemeteries and one crematorium in Tshwane. 23 of these cemeteries are full and no new bookings are accepted for them. They are only used by families that have outstanding site bookings or who are reopening and using existing graves. The number of cemeteries in Tshwane is as follows:

- Region 1: 14
- Region 2: 20
- Region 3: 8
- Region 4: 4
- Region 5: 4
- Region 6: 8
- Region 7: 6

As part of the Integrated Development Planning process (IDP 2011–2016), the City of Tshwane acknowledged that providing burial space is essential to cater for the growing needs of communities in Tshwane. As a result, the IDP (2011–2016) identified and proposed the development of two sites for terrestrial burial purposes. These projects are the development of Tshwane North Cemetery and Klipkruisfontein Cemetery.

The City completed the development of these sites and also extended Ga-Rankuwa cemetery during the Council term. It will continue with its plans to extend some of the existing cemeteries, including Hatherly, formalising some of the informal cemeteries and developing new cemeteries. Further infrastructure development and improvements will also continue in the existing cemeteries.

GREENING

As part of the City's greening programme, a total of 11 343 trees were planted in the 2015/16 financial year as part of the following activities that contributed to greening the city:

Table 30: Greening the city

Activity	Number of trees
Arbor Month	1 006
Bontle ke Botho clean and green campaign	650
Community greening projects	920
Two Parks per Ward programme	1 550
Street trees issued from the nursery	5 961
Fruit trees	1 256
Total	11 343

This initiative was in addition to other greening initiatives during the Council term that were previously implemented by the Environmental Management Services Department under the Green Buildings Programme and have since been moved to the City Sustainability Programme. These initiatives include the following:

- Development of the Green Buildings By-law and Policy
- Construction of new municipal green buildings
- Retrofitting of existing municipal buildings with green technologies

POLICY MONITORING AND COMPLIANCE

The Environment and Parks Division is entrusted with the responsibility of undertaking environmental inspections to guide the City of Tshwane towards corporate environmental compliance and to promote compliance by communities and industry. Environmental inspection is a general term that reflects a proactive evaluation intended to identify environmental compliance and assess environmental performance.

The following corporate and external environmental management inspections were conducted during the 2015/2016 financial year:

Table 31: Inspections

INSPECTIONS CARRIED OUT	NUMBER
Corporate environmental inspections	24
BRT inspections	12
External environmental inspections	12
Inspections related to strategic compliance monitoring activities	6
Inspections related to EMP compliance and addressing comments to township establishments	10
TOTAL	64

Environmental management inspectors/“Green Scorpions” in the Environmental Management Services Department have been entrusted with the responsibility of responding to complaints and incidents related to environmental management in order not only to guide the City of Tshwane towards corporate environmental compliance, but also to ensure environmental protection among the community and in industries. A total of 90 complaints and two incidents were responded to during the 2015/2016 financial year.

E HEALTH

INTRODUCTION

The Health and Social Development Department plays a crucial role in the City's development because it contributes directly to the general well-being of all those who live and work in Tshwane.

The department facilitates and provides healthcare services that are aligned with the National Health Insurance initiative. Inasmuch as these are compulsory services provided by municipalities and defined in the National Health Act, 2003 (Act 61 of 2003) as "Municipal Health Services specialised in social development programmes", the department also ensures the provision of health and social facilities, including the development of health and social strategies and policies as well as monitoring and evaluating social development functions.

Key functions performed by the department include the following:

- Health services
- Provision of healthcare services as well as policy and strategy development, coordination, and monitoring of norms and standards
- Social development
- Specialised social development programmes such as drug and substance abuse, multisectoral AIDS management and food bank, information and knowledge management as well as policy and strategy development, coordination, monitoring of norms and standards

1 ACCESS TO HEALTHCARE

CLINICS

Primary healthcare (PHC) services are provided to residents of Tshwane by 24 fixed local authority clinics, one satellite clinic and two mobile clinics, with extended service hours from 08:00 to 13:00 on Saturdays. The clinics have recorded 1 271 897 patient visits per annum.

These facilities provide the following:

- An expanded programme on immunisation (EPI)
- Women's healthcare
- Chronic services
- Antenatal care and PMTCT
- Tuberculosis and antiretroviral treatment
- Pharmaceutical services

- Mental health (clinics provide first level of care, whereas second level of care is a specialised level of care and provided at all community health centres and some selected clinics. All regions are covered.
- Dental services as a specialised service provided by provincial staff in selected facilities
- ART and ARV roll-out at all 24 facilities

Table 32: Service data for clinics

Details	2013/14	2014/15	2015/16
	Actual number	Actual number	Actual number
Number of patient visits on average per annum	1 530 509	1 512 643	1 271 897
Number of HIV/AIDS tests undertaken in the year	52 802	54 363	82 577
Number of tests in the point above that proved positive	10 837	9 692	12 174
Number of children younger than 1 year that are immunised	14 483	13 214	12 545
Child immunisations above compared with the population of children younger than 1 year	88,3%	85%	65,5 %

ACCESSIBLE SERVICES AND SUITABLE HEALTH FACILITIES IN THE TSHWANE DISTRICT

PHC services aim to promote health, prevent illness, cure diseases and, where the need arises, refer a patient to a hospital. The services are provided at clinics, community health centres and district hospitals in the Tshwane area. 97% of all households in the Tshwane District are within 5 km of a public health facility, based on Statistics South Africa data from the 2011 Census. City of Tshwane PHC clinics have therefore exceeded the national target of 90%.

A total of 1 271 897 patients visited the local authority clinics during the 2015/16 financial year. This represents a decrease of 16% in clinic attendance compared to the previous year's attendance of 1 512 643 patients. The decrease can be attributed to PHC clinics re-engineering initiatives such as the implementation of WBOT and CCMD D programmes. The utilisation rate for the year under review was 1, 0 which shows a decrease of 0, 6 compared to the previous year.

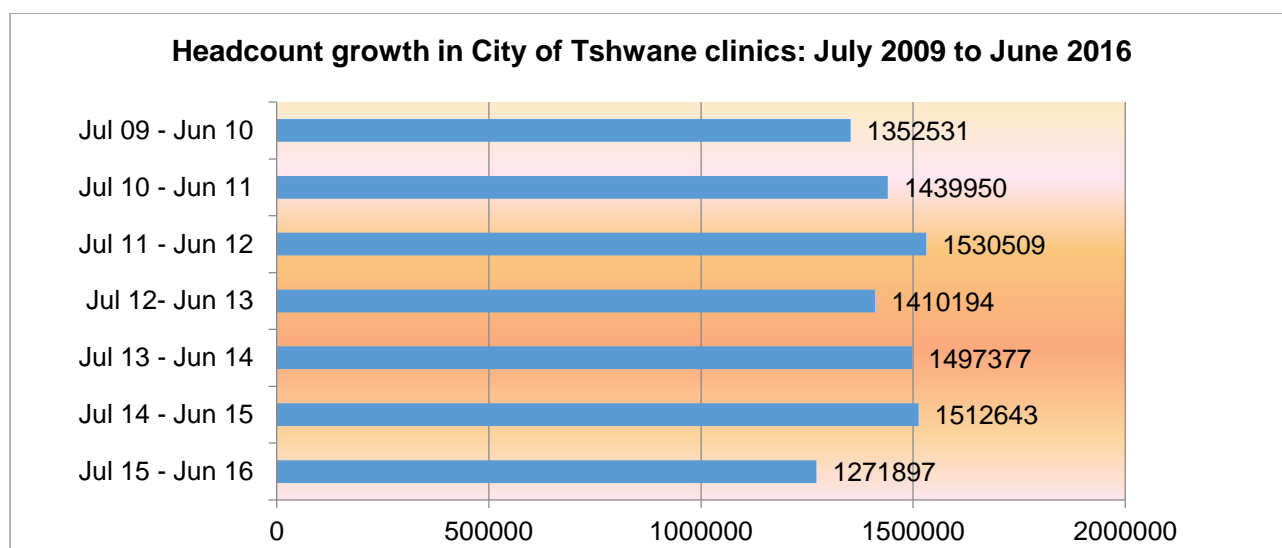


Figure 8: Increase in patient visits to local authority clinics

Table 33: Tshwane District primary healthcare facilities per region

Tshwane region	Health posts	Mobiles	Satellites	Clinics	Community health centres
Region 1	6	4	1	18	3
Region 2	0	1	1	9	1
Region 3	9	1	0	13	1
Region 4	2	0	1	5	0
Region 5	1	0	0	7	0
Region 6	22	1	0	8	1
Region 7	5	1	0	6	1
Total	45	8	3	66	7

TSHWANE DISTRICT ANNUAL TSHWANELO AWARDS

These awards are held annually by the provincial Department of Health. The indicator used for the awards was the overall performance on assessment on ideal clinic realisation using the dashboard for ideal clinic status. This event follows evaluations done at all the primary healthcare clinics, community health centres and district hospitals in Tshwane.

The evaluations done at the facilities are based on the National Core Standards for Health Establishments. Doing these evaluations helps health facilities to improve their quality of care and also prepares the facilities for provincial and national inspections, with the aim of future accreditation for the National Health Insurance initiative. Since City of Tshwane clinics became involved in these evaluations, improvement has been recorded at the facilities.

This evaluation tool has 10 components, 32 subcomponents, and 212 elements which are divided into vital, essential and important elements. The other indicator developed is performance in the clinical indicator subcomponent which relates to programmes. The annual satisfaction and clinical record audits are also used as indicators.

PROVISION OF ESSENTIAL DRUGS

Pharmaceutical Services is responsible for the coordination of ordering and supply of essential medicines and medical consumables and the appropriate use thereof. These are mainly sourced from the Tshwane District. In instances where the Tshwane District is unable to supply some items, Pharmaceutical Services obtains the medicines and consumables on buy-out.

At the beginning of each calendar year, all clinics are provided with an ordering and delivery schedule. This is to ensure that orders are spread out so that supply can be managed. Clinics can place emergency orders in case of unforeseen increased consumption or an extended period of non-supply by the Tshwane District. Emergency orders are placed once a week to a limit of five items per order.

The clinics place an order on RxSolution, a computer system. The area pharmacist is notified of an order on the system and remotely checks and authorises the order before it is printed and sent to the supplier.

Clinics report on a weekly basis on items that are out of stock and those that are running low so that emergency orders and redistribution of stock can be done in time to avert crises.

In addition to supplies received from the Tshwane District, Pharmaceutical Services spent R459 643,85 on purchasing items that could not be supplied by the Tshwane District in order to ensure availability of medicine and continuous supply of medicine to patients.

For the 2015/2016 financial year, the clinics had more than 90% of essential medicine stock available at all times; this exceeds the set target of 90%.

Since the roll-out of Central Chronic Medicine Dispensing and Distribution (CCMDD), a National Department of Health initiative to improve access to medicines in 2014, the Tshwane District as a whole has enrolled 95 223 patients, of which 38 028 were from City of Tshwane clinics.

MEDICINE EXPENDITURE

The Tshwane District spent R88 205 290,13 for medicine on the essential medicine list supplied by the Regional Pharmacy in the 2015/16 provincial financial year and R1 306 177 for surgical items supplied by Surgical Stores in the 2015/16 provincial financial year. In addition to medicine supplied by the provincial government, the City of Tshwane spent R459 634,85 for emergency buy-outs from 1 July 2015 to 30 June 2016.

PROVISION OF COMPREHENSIVE PRIMARY HEALTHCARE SERVICES

Prevention, control and treatment services for sexually transmitted infections (STIs) and services for children and the youth are provided at all City of Tshwane clinics. New STI guidelines were introduced in March 2015, in which drug management was updated to reduce drug resistance. The national strategy is aligned with the global priority focus on reducing infant and child mortality, set out as a goal in the National Development Plan 2030 for South Africa. Services for children address Sustainable Development Goal 3, namely “By 2030, end preventable deaths of new-borns and children under 5 years of age, with all countries aiming to reduce neonatal mortality to at least as low as 12 per 1,000 live births and under-5 mortalities to at least as low as 25 per 1 000 live births.”

The City of Tshwane’s focus on child health services is to improve basic and preventive care for children and is aligned with the Gauteng Department of Health’s strategic priority to improve maternal, infant and child health. The target for Gauteng is to –

- reduce the infant mortality rate from 34/1 000 live births in 2013/2014 to 20/1 000 live births in 2019/2020;
- reduce the neonatal mortality rate from 15/1 000 live births in 2013/2014 to 6/1 000 live births in 2019/2020; and
- reduce the child under-5 mortality rate from 43/1 000 live births in 2013/2014 to 23/1000 live births in 2019/2020.

Strategies were developed to further reduce mortality rates. The Campaign on the Accelerated Reduction of Maternal and Child Mortality in Africa (CARMMA) Strategy was launched in 2012. The 2012 to 2016 National Maternal, New-born, Child and Women’s Health and Nutrition Strategic Plan (MNCWH+N), which was launched in 2013, indicates that priority interventions have the greatest impact on reducing child mortality. Services in City of Tshwane public health service facilities include programmes such as promotion of breastfeeding, prevention and management of malnutrition, provision of PMTCT, provision of prevention services, immunisation, Vitamin A supplementation, regular deworming, growth and development monitoring, integrated management of childhood diseases (IMCI) and HIV management in children. Interventions are also aligned with the recommendations of the Saving Mothers Reports which aim to prevent identified causes of death during the early neonatal period.

INTEGRATED MANAGEMENT OF CHILDHOOD ILLNESSES

The clinical guidelines for integrated management of childhood illnesses (IMCI) target children younger than five, because this age group carries the highest burden of deaths from common childhood diseases. The strategy for the IMCI was adopted by South Africa in 1996 and is used at PHC facilities in Tshwane. The guidelines follow an evidence-based syndromic approach to case management that supports rational, effective and affordable use of drugs and diagnostic tools.

The IMCI strategy includes both preventive and curative interventions that aim to improve practices in health facilities, the health system and at home. At the core of the strategy is the integrated case management of the most common childhood problems, with emphasis on the most common causes of death. Childhood vaccinations have successfully reduced deaths from measles.

Oral rehydration therapy has contributed to a significant reduction in deaths resulting from diarrhoea. Effective antibiotics have saved the lives of children with pneumonia, and improvements in breastfeeding practices have also reduced the number of childhood deaths. One of the indicators of Number 8 of the Ten-point Plan is to implement the household and community component of the IMCI. The new 2014 IMCI Guidelines have been implemented at City of Tshwane clinics.

MONITORING OF DIARRHOEA AND SEVERE MALNUTRITION INCIDENCE

The incidence of diarrhoea and severe malnutrition is monitored at all public health facilities. Severe malnutrition (marasmus) is diagnosed when a child is found to weigh less than 60% of the appropriate estimated weight for its age. Kwashiorkor is diagnosed when a child weighs between 60% and 80% of the expected weight and has oedema as well other features of kwashiorkor. Marasmic kwashiorkor is diagnosed when a child weighs less than 60% of the expected weight and has oedema.

Over the years, the health sector has contributed significantly to the decline in malnutrition among children younger than five. Health sector interventions included the promotion of exclusive breastfeeding practices. Interventions centre largely on individual counselling of mothers as well as health education programmes.

The Department of Health launched a national Vitamin A supplementation programme in 2001 following the 1994 South African Vitamin A Consultative Group (SAVACG) survey, which showed that Vitamin A deficiency was a public health problem in South Africa. The programme started with creating and adopting a national Vitamin A Supplementation (VAS) policy which targets post-partum mothers and children younger than five. VAS was integrated into the Expanded Programme for Immunisation (EPI) and the Integrated Management of Childhood Illnesses (IMCI) programme at all City of Tshwane health facilities. This approach has shown to be effective for children from 6 to 12 months because they frequent health facilities for the immunisation schedule. For children between 12 to 59 months, VAS coverage has remained low because after the age of 18 months these children are not taken to facilities for immunisation.

Providing Vitamin A supplementation to children aged 6 to 11 months, as well as children aged 12 and 59 months, is critical to prevent disease and promote child health.

The main operational strategy to distribute Vitamin A supplementation is through health facilities. Experience has shown that outreach is a good strategy for reaching children that would not necessarily come to health facilities. Therefore, to improve coverage for Vitamin A supplementation in the age group of 12 to 59 months, the following strategies were incorporated into City of Tshwane health services to improve Vitamin A coverage:

- An integrated strategy with screening and administration at any contact with routine health services, including individualised health education on VAS for parents.
- Supplemental distribution during campaigns when VAS is feasible, such as catch-up immunisation activities and other campaign-like activities.
- Integrating deworming when of children between 12 to 59 months with Vitamin A supplementation. It is cost-effective and more beneficial to give Vitamin A capsules and deworming tablets simultaneously. Research has shown that there is a clinical link between worm infection and reduced Vitamin A levels. Roundworms live in the gut and Vitamin A reduces their growth.
- The resources needed were mobilised through various role players in Tshwane. Other strategic programmes such as the school health services and ward-based outreach teams were used to scale up VAS.
- An increased focus was put on VAS awareness and communication through health promotion activities.

PREVENTION OF MOTHER-TO-CHILD-TRANSMISSION OF HIV IN TSHWANE

The prevention of mother-to-child-transmission (PMTCT) service, which includes monotherapy and dual prophylaxis, was implemented in April 2008. Implementation of the PMTCT initiative in South Africa has been scaled up rapidly since 2008. PMTCT guidelines were updated in March 2013 to include a standardised triple-drug regimen to treat HIV-infected pregnant women (regardless of CD4 count) during pregnancy and breastfeeding, with continuation of antiretroviral treatment (ART) after breastfeeding for women with CD4 counts of less than 350.

Furthermore, for women who were not eligible for lifelong ART, prophylaxis ART treatment was started earlier, at 14 weeks' pregnancy. For the first time, HIV-positive women could safely breastfeed their children, provided that the child was taking antiretroviral drugs during the breastfeeding period.

On 1 January 2015, South Africa implemented the Option B+ approach which entitles every pregnant or breastfeeding HIV-positive woman to lifelong ART regardless of CD4 count or clinical staging.

Elimination of mother-to-child-transmission of HIV in Tshwane aims to continue reducing the vertical transmission of HIV and builds on work done since the inception of the programme and the 2015 policy and guidelines. In line with the international standards for a comprehensive strategy, the PMTCT Policy recognises

that in order to prevent HIV among women and children, the four elements of PMTCT are integral. These include the following:

- Primary prevention of HIV, especially among women of childbearing age
- Prevention of unintended pregnancies among women living with HIV
- Prevention of HIV transmission from a woman living with HIV to her infant
- Provision of appropriate treatment, care and support to women living with HIV and their children and families

The national EMTCT programme aims to ensure the following:

- Primary prevention of HIV, especially among women of childbearing age
- Integration of PMTCT interventions with basic antenatal care, sexual and reproductive health, child and adolescent health, CCMT and TB services
- Reduction of maternal mortality, in line with the Sustainable Development Goals

The Gauteng Department of Health has set a goal for 2016/2017 to reduce the mother-to-child transmission of HIV from 2% to 0,80% at six weeks after birth and from 3,1% to 2% at 18 months after birth. The success of achieving these outcomes depends on the antiretroviral coverage of pregnant women living with HIV, as well as on decreasing the percentage of young women infected. It is also important to test all exposed babies at birth and at 10 weeks to identify HIV-positive babies and to ensure take-up into treatment and care. The medium-term target set for Gauteng is 90% testing of babies at 18 months by 2019/2020.

All the City of Tshwane's fixed clinics provided a 100% PMTCT service. HIV-positive pregnant clients are referred for PMTCT initiation and are followed up at the clinic.

The City of Tshwane has trained clinicians on the B+ treatment option and successfully implemented it.

Early diagnosis of infants is essential because peak mortality occurs at 2 to 3 months for new-borns who are infected with HIV. A system to follow up on PCR-positive babies has been implemented through cooperation between the Tshwane District Clinical Specialist Team, the National Health Laboratory, health facilities and ward-based outreach teams. A unique Road to Health Booklet identifier system has been introduced to further enhance the successful identification, tracing and follow-up of babies. These mechanisms aim to ensure an increased uptake of HIV-positive babies into care and treatment as early as possible.

INTERVENTIONS TARGETING THE YOUTH

Teenage pregnancy is still an important issue in our communities. Women are regarded as vulnerable, and their exposure to unprotected sexual activities results in pregnancy at a young age. Health promotion programmes, such as family planning methods and the use of condoms, were put in place to prevent unwanted teenage

pregnancies. Interventions targeting adolescents included the implementation of clinical guidelines for the health of young people and adolescents and of measures to reduce the number of teenage pregnancies and cases of drug-taking. Fast-lane options for family planning services were introduced in most clinics. Unwanted teenage pregnancies increase the risk of illegal backyard abortions.

WOMEN'S HEALTH

South Africa, as a signatory to the United Nations Millennium Declaration of 2000, is committed to achieving the Sustainable Development Goals (SDGs) for 2030. Although achieving all the SDGs has important implications for the health and well-being of women, mothers and children, the goal to reduce the global maternal mortality rate to less than 70 per 100 000 live births is very specific. The National Ten-Point Plan also has the goal to “strengthen programmes focusing on maternal, child and women’s health”.

CERVICAL CANCER

The cervical screening policy and programme have been implemented since 2001 and aim to decrease the incidence of cervical cancer by 70% by 2014. South Africa has a high burden of cervical cancer despite this programme. Cancer of the cervix is the most common gynaecological cancer in South Africa, and the fourth-most common cancer affecting women worldwide. Screening can reduce the incidence of this cancer.

According to the World Health Organisation (WHO), introducing vaccines to prevent human papilloma virus (HPV) infection, combined with a comprehensive cervical cancer screening and treatment policy, is essential to address the burden of cervical cancer.

The national HPV vaccination strategy in South Africa started in March 2014. It was implemented through the Integrated School Health Programme and aims to reach the widest possible number of prepuberty females in public schools.

ANTENATAL CARE

Reducing the maternal and child mortality rates is a priority of the Negotiated Service Delivery Agreement and a key component of the Strategy Plan for Maternal, Neonatal, Child and Women’s Health and Nutrition in South Africa 2011 to 2016. South Africa has adopted the campaign on the Accelerated Deduction of Maternal and Child Mortality in Africa (CARMMA) strategy.

The Sustainable Development Goals for 2030 has set a target to reduce global maternal mortality to less than 70 per 100 000 live births by 2030. The National Development Plan for South Africa for 2030 states the target of reducing maternal mortality to less than 100 per 100 000 live births.

The Gauteng Department of Health strategic objective for the maternal death rate is to reduce the in-facility maternal mortality ratio from 143 per 100 000 live births in 2013/2014 to 80 per 100 000 live births in 2019/2020.

The City has implemented a ward-based community outreach model with community-based teams which will visit all households and address health issues with the aim of upgrading the community's health status. Although currently still in the roll-out phase, this model is envisaged to improve outcomes in this regard.

A District Clinical Specialist Team comprising an obstetrician/gynaecologist, paediatrician, family physician, advanced midwife, advanced paediatric nurse and primary health care nurse has been deployed to assist with clinical governance and quality of maternal and child health services. The team's role is to focus on the major causes of maternal and child mortality, HIV and TB.

To reduce the maternal mortality in an effort to reach set targets, clinical guidelines, protocols and manuals for the clinical management of the major causes of maternal mortality are provided. It was estimated that 70% of neonatal deaths could be prevented if good-quality maternal healthcare is provided.

Remaining problems include late booking for antenatal care, and even patients arriving for the first time during labour. It is projected that mothers will report earlier in pregnancy for care once the ward-based outreach community care model has been fully implemented.

The national target was that all pregnant women should pay at least four visits to a health care facility during each pregnancy. Measurement of antenatal care included the percentage of pregnant women in a community who used this service at least once during pregnancy.

The National Department of Health's Mom-Connect initiative has been implemented in City of Tshwane facilities, with the aim of preventing a large number of maternal and child deaths by means of some basic interventions. It introduced a mechanism to register all pregnancies electronically as early as possible, and it facilitates health promotion messages targeted at these pregnant women in order to improve their health and that of their infants. The initiative also provides pregnant women with an interactive mechanism to give feedback on the service they received, allowing the health system to respond to the needs of pregnant women.

FAMILY PLANNING

City of Tshwane Health Services offer reproductive health services to –

- remove barriers that restrict access to contraceptive services;
- increase public knowledge of client rights, contraceptive methods and services through health promotion;
- provide high-quality contraceptive services; and

- continue programmes and implement new initiatives to improve accessibility of contraceptive services for underserved groups and communities.

South Africa adopted a revised Contraception Policy in 2012, the National Contraception and Fertility Planning Policy, as well as the Service Delivery Guidelines and National Contraception Clinical Guidelines. These are important documents that aim to reprioritise contraception and fertility planning in South Africa, with emphasis on dual protection. The policy states the importance as “... one of the most powerful public health tools for any country. Providing women with access to safe and effective contraception is a critical element of women’s health. Enabling women to make choices about their fertility is empowering and offers women better economic and social opportunities. Birth spacing also improves the opportunities for children to thrive physically and emotionally. Engaging men in sexual and reproductive health encourages shared responsibility in their roles as partners and parents.”

Contraceptives are one of the World Health Organisation’s four strategic prongs for preventing mother-to-child transmission of HIV. Contraception and planning for conception contributes to reducing HIV transmission, thereby supporting the National Strategic Plan on HIV, STIs and TB (2012 to 2016). It is also an important part of the strategy to ensure the successful implementation of the African Union’s campaign for the Accelerated Reduction of Maternal, Neonatal and Child Mortality in Africa (CARMMA), to which South Africa is a signatory.

Fertile women in the community (women between the ages of 15 and 44) should be protected from unwanted pregnancies. The target is to increase the couple-year protection rate. There needs to be an intensified focus on contraceptive services in order to improve outcomes.

A large variety of contraceptive methods not provided by the national family planning programme was also available from pharmacies and doctors. Private pharmacies and medical practitioners have contracts with the Tshwane Health District to provide contraceptive methods for the family planning programme.

The following critical family services were provided:

- Curative, chronic and preventive services
- Tuberculosis services
- Notifiable medical conditions
- Responding positively to HIV and AIDS

Responding positively to HIV and AIDS addresses the Sustainable Development Goal 3 for 2030, which aims to end the AIDS epidemic by 2030.

The National Strategic Plan on HIV, STIs and TB, 2012–2016, has been implemented. Key successes include antiretroviral coverage, reduction of mother-to-child HIV transmission, lower maternal and child mortality rates and maintenance of high HIV testing levels.

Priority 7 of the National Department of Health's 10-point plan alludes to the accelerated implementation of the HIV/AIDS plan. The focus was on universal access to ART and the improvement of outcomes. The Department of Health, in alignment with the UNAIDS 90-90-90 strategy, has set out targets for 2030 to have 90% of people tested for HIV and 90% of those eligible for treatment to be on treatment, with at least 90% of those on treatment virally suppressed. This will require improved management of HIV across different populations.

The Gauteng Department of Health has set the following targets:

- To reduce the rate of new HIV and STI infections by 50% by 2019/2020, through a combination of prevention strategies, targeting vulnerable and high-risk populations
- To decrease the percentage of young women infected from 19,6% in 2013/2014 to 16% by 2019/2020
- For 90% of all people receiving ART to be virally suppressed by 2019/2020
- For 90% of all people living with HIV to know their status by 2019/2020
- To increase the number of exposed babies tested at 18 months to 90% by 2019/2020
- To increase in the number of men/women aged 15 to 49 tested for HIV from 1,8 million in 2013/2014 to 4 million by 2019/2020.

The eligibility criteria for ART initiation have been nationally revised to increase access to treatment with the introduction of the National Consolidated Guidelines for the Prevention of Mother-to-Child Transmission of HIV and the Management of HIV in Children, Adolescents and Adults from 1 January 2015.

The new guidelines make provision for the following main changes:

- Immediate initiation of lifelong ART for all HIV-positive women who are pregnant, breastfeeding or within one year post-partum, regardless of CD4 count
- Maternal lifelong ART throughout pregnancy and breastfeeding to reduce mother-to-child transmission
- Scheduled viral load testing to monitor and ensure viral load suppression
- Repeat HIV testing for women during routine antenatal care, postnatal care and EPI/child health follow-up visits
- Provision of earlier testing of HIV-exposed babies at birth and the use of extended or dual post-exposure prophylaxis for infants where maternal viral load suppression is inadequate
- Provision of ART for children younger than five years, regardless of CD4 count or clinical staging
- Earlier ART initiation for children older than five years, adolescents and adults at a CD4 count of < 500 cells/ μ L

According to the 2013 National Antenatal Sentinel HIV Prevalence Survey (released in January 2016), the overall prevalence of HIV in public health clinics in South Africa was 29,5%. The prevalence in the Tshwane District was lower than the national figure at 23,4%, a reduction of 2,3% from the survey conducted in 2009.

The four major HIV-related services available in the public health sector were the HIV counselling and testing (HCT) programme, the prevention of mother-to-child-transmission (PMTCT) programme, the antiretroviral treatment (ART) programme and the post-exposure prophylaxis (PEP) follow-up service. City of Tshwane clinics have strengthened the integration of services with operational programmes, including primary healthcare services, maternal, new-born and child health, as well as TB services to maximise patient care and outcomes. HIV has been reconceptualised within the chronic disease management model.

Key challenges that remain include up-scaling prevention programmes, decreasing the number of new infections and retaining those on treatment over time.

HIV COUNSELLING AND TESTING

HIV testing is the first entry point into the continuum of comprehensive HIV prevention, treatment, care and support. Free voluntary HIV testing and counselling were available to the public at any of the clinics in Tshwane.

ANTIRETROVIRAL TREATMENT (ART)

City of Tshwane clinics implemented the ART programme at its health facilities. All City of Tshwane fixed clinics provided a 100% PMTCT service. Gazankulu Clinic in Region 3, where structural challenges prevented the full PMTCT service, referred their pregnant HIV-positive clients to the nearest PMTCT site for further management. However, they offered follow-up PMTCT treatment.

HIV-positive women received counselling on the advantages of the PMTC programme; this reduced the chances of HIV transmission from mother to child.

Great strides have been made in the prevention of mother-to-child transmission of HIV, with HIV testing of pregnant women being close to 100%. Challenges include not following up on HIV-positive babies, and a low ART initiation rate for babies. There is also a need to strengthen the mentorship for NIMART-trained nurses.

POST-EXPOSURE PROPHYLAXIS FOLLOW-UP SERVICE

All rape victims were counselled and examined at a specialised crisis centre. There are four dedicated provincial crisis centres in Tshwane, namely Laudium Community Health Centre, Mamelodi Hospital, Tshwane District Hospital and Soshanguve Community Health Centre. Services at these centres include ART and counselling. If a patient consented to receiving prophylactic ART, treatment was initiated at the crisis centre and the patient was referred to the nearest local clinic for further treatment and follow-up.

2 ENVIRONMENTAL HEALTH

Municipal health services (MHS) are essential to identifying risks and hazards in the environment and implementing measures to ensure that such is addressed accordingly.

The mandate of the MHS Section is encapsulated in the nine key performance areas, namely food safety, chemical safety, disposal of the dead, environmental pollution, vector control, water quality and monitoring, health surveillance of premises, waste management and surveillance, and prevention of communicable diseases.

The section ensures that all of this is achieved by developing programmes and action plans which aim to address all the problems that affect the environment and create health nuisances in communities.

DEVELOPMENT MANAGEMENT

It is imperative that MHS staff acquire more knowledge and skills through further training and development. Further training in MHS is achieved through continuous professional development (CPD) accredited by the Health Professions Council of South Africa (HPCSA). During the year under review, sessions were organised by the MHS: Technical Support Unit to achieve effective and efficient training through CPD.

Table 34: Compressed CPD programme

SESSION	DATE	TOPIC	NUMBER OF EHPS attending
1.	13/10/2015	Environmental health ethics	63
2.	08/09/2015	Environmental disease control: Flies	45
3.	09/07/2015	Waste management solutions and recycling	47
4.	06/08/2015	Meat safety regulations and veterinary services	47
5.	08/09/2015	Communicable disease management/Outbreak control	45
6.	13/10/2015	Environmental-friendly cleaning	62
7.	18/05/2016	Protocol and etiquette	72
8.	18/05/2016	Climate change and health	76
9.	14/04/2016	The perception and practice of EHPs conducting outbreak investigation of foodborne diseases	61
10.	14/04/2016	Environmental health investigations during disease outbreak	65
11.	22/06/2016	Salmonella Typhi	58
12.	22/06/2016	Zika virus	63

SESSION	DATE	TOPIC	NUMBER OF EHPS attending
13.	22/06/2016	MHS presentation and communication skills	55

COMPLAINT MANAGEMENT

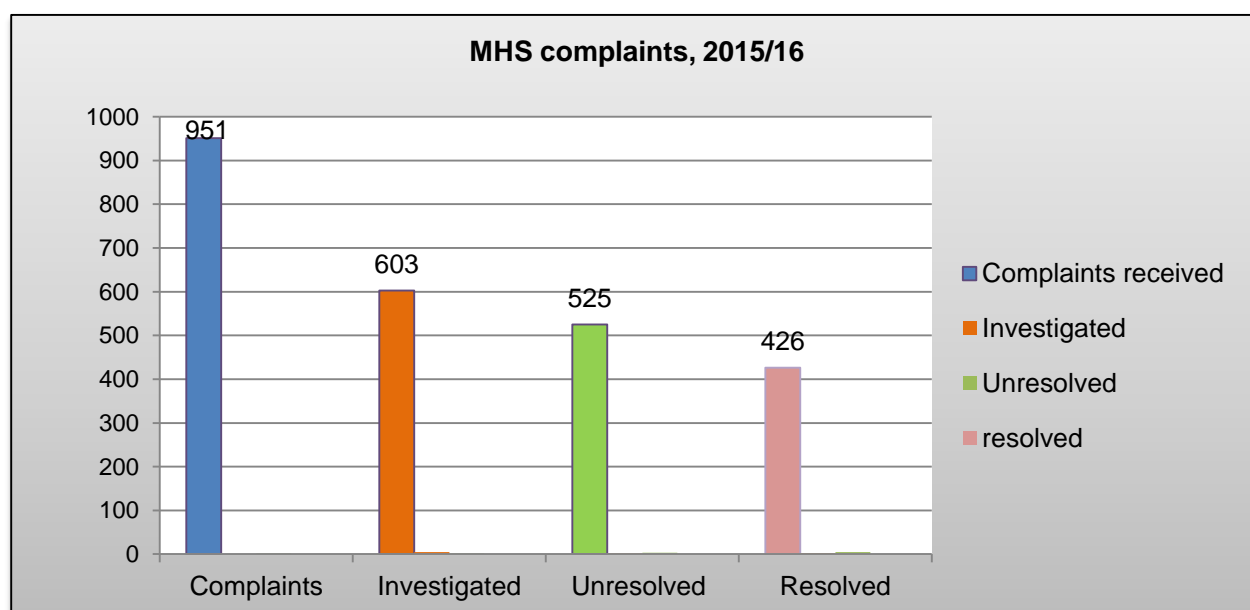
All clinics have a complaint management system that is in line with the National Health Complaint Management System. Complaints are also received from the National Health Office and the Provincial Health Office. There is a standard operating procedure regarding how complaints are handled which is followed by all clinics.

Provincial reporting indicators are the number of complaints resolved, the number of complaints resolved within 25 working days and the number of complaints received per category as set out in the complaint policy.

The MHS Section is obligated to address all health nuisances reported to the section as complaints affecting the health of the community in Tshwane. Health nuisances refer to any occurrences that affect the health or welfare of people with regard to their environment, where they live, work and take their leisure. The MHS Section receives complaints from members of the public throughout Tshwane and undertakes action to investigate, evaluate and control the impact of these health nuisances on community health.

The following figure shows the trend of complaints reported to the section during the 2015/16 financial year.

Figure 9: MHS complaints



A total of 951 environmental health-related complaints were reported in the 2015/16 year. A total of 603 complaints were investigated. A total of 426 complaints were resolved. A total of 525 complaints were unresolved, implying that 55% of the complaints are still under investigation.

The reasons for the unresolved complaints are their complex nature and the processes involved that must be satisfied before complaints can be successfully resolved. The MHS Section has put measures in place to empower the community through health education and health awareness programmes on health-related issues in their communities. Constant monitoring of premises and the enforcement of legislation are some of the measures implemented to ensure that the health of the community is fully protected.

SAMPLING MANAGEMENT

Food, water and working surfaces are sampled and tested to ensure that they are safe and do not contain any harmful contaminants; that they contain only permitted additives at acceptable levels; that they contain the right levels of key ingredients; and that their label declarations are correct. Food and water are sampled for microbiological, chemical and histological analysis. The Foodstuffs, Cosmetic and Disinfectants Amendment Act, 2007 (Act 39 of 2007) is the main legislation used for the purposes of sampling and labelling. The following table summarises sampling at MHS in the 2015/16 financial year.

The tables show the trends in sampling during the 2014/15 and 2015/16 financial years. There is a general increase in the number of samples taken in comparison with the previous year. The number of tap water samples taken is 122 for the 2015/16 financial year, with a 78% compliance rate, compared to 25 samples with a 88% compliance rate in the 2014/15 financial year.

The number of food samples taken during 2015/16 increased from 45 to 155 as compared to the 2014/15 financial year. The compliance rate of food declined from 77% to 71% in 2015/16. The chemical analysis of food also displayed 100% compliance for both years. The decline in food safety compliance can be attributed to a decline in inspections and monitoring of food premises as well as a lack of education programmes for food handlers.

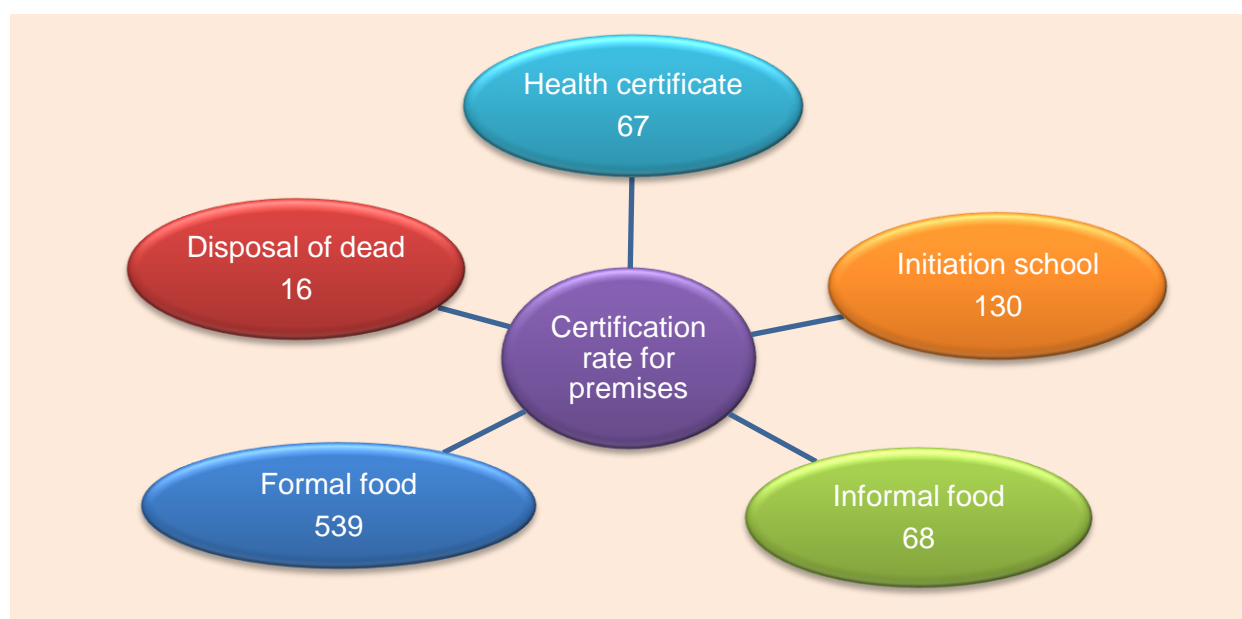
Table 35: Sampling results, 2015/16

2014/15				2015/16			
Type of sample	Total samples taken	Total complying with the standard	% of samples complying to the standard	Type of sample	Total samples taken	Total complying with the standard	% of samples complying to the standard
Microbiological analysis of tap water	25	22	88%	Microbiological analysis of tap water	122	96	78%
Microbiological analysis of bottled water	0	0	0%	Microbiological analysis of bottled water	16	16	100%
Microbiological analysis of food	45	35	77%	Microbiological analysis of food	155	111	71%
Chemical analysis of food	4	4	100%	Chemical analysis of food	52	52	100%

CERTIFICATION RATE FOR PREMISES

The certification of premises is important to ensure compliance with specific legislation relating to certain types of business. Formal food premises are certified according to the Regulations on the General Hygiene Requirements for Food Premises and the Transportation of Food (R962). Premises for the disposal of the dead are certified according to the Regulation on the Management of Human Remains (R363). Other premises, such as initiation schools, child-care centres and old-age homes are certified under municipal by-laws promulgated by the City of Tshwane.

Figure 10: Certification rate for premises



A total of 130 initiation schools, both male and female, were registered for operation in Tshwane in 2015/16. The total number of initiates was 3 003, of which 2 215 were from the 110 male schools and 788 from the female schools. These types of premises are certified to ensure that all the schools' activities and operations are conducted in a safe and hygienic manner. No deaths were reported for the reporting year.

A total of 16 premises for the disposal of the dead were certified during the year under review. This can be attributed to the fact that this type of premises falls into the lowest category of premises monitored by the City of Tshwane.

A staggering total of 539 formal food premises were certified, while 68 informal food traders were certified. These types of food premises are the highest in, and they sell food items such as poultry, vegetables and bakery products.

In the category for health certificates, 67 were issued in the year under review. This is a remarkable achievement, and these premises – childcare centres, homes for the aged and other places of care – are now safe for children and the elderly.

MHS EVENTS, PROJECTS AND SPECIAL OPERATION

The MHS events occur in regions across Tshwane and conduct various health education and awareness sessions on issues related to health and the environment. The purpose is to raise awareness and to ensure that the

community is empowered to make the right choices on issues related to health. The following are the highlights of the events and sessions organised by the MHS regional section during the year under review.

WORLD FOOD DAY CAMPAIGN

World Food Day is internationally commemorated on 16 October every year. This year it was decided to create awareness in the larger community in Tshwane of the requirements of the Certificate of Acceptability for a Food Premises, (R962 certificate).

It is a mandatory legislative requirement according to the Regulations Governing General Hygiene Requirements for Food Premises and the Transport of Food (R962) promulgated under the Foodstuffs, Cosmetics and Disinfectants Act, 1972 (Act 54 of 1972) that all premises processing or handling food must apply for a Certificate of Acceptability for a Food Premises.



Figure 11: World Food Day commemoration in Mamelodi

3 SOCIAL DEVELOPMENT

The City ensured the delivery of social development programmes such as programmes for women, youths and vulnerable children, as well as programmes for early childhood development. The City also provides free basic services to registered indigents.

INDIGENT PROGRAMME

This programme focuses on the registration of indigent households that qualify in terms of set policy criteria. It monitors and evaluates these households and exits them from the indigent register once their living status has improved.

By the end of June 2016, the City had registered an additional 3 054 indigent households for access to free basic services.

MONITORING AND IMPACT ASSESSMENT

Registered indigent households were monitored to check whether they receive the social packages according to the Indigent Policy, and the relevant stakeholder departments ensured that all challenges were addressed.

During the monitoring process, the following were discovered and addressed:

- Some indigents were found not to receive the 100 kW of electricity that they should.
- Some indigents did not have prepaid electricity meters installed.
- Some indigents exceeded the stipulated limits for water consumption.

In terms of the Indigent Policy, registered indigent households are evaluated within 24 months of first being registered to check whether they still meet the qualifying criteria to remain on the register and to exit those whose socio-economic circumstances have sufficiently improved.

EXITING HOUSEHOLDS FROM THE INDIGENT REGISTER

Registered indigent households whose socio-economic status has improved are exited from the indigent register so that they again become normal customers and pay for municipal services. Through the Council-approved Indigent Exit Strategy, the City aims to empower beneficiaries from registered indigent households so that they are able to gain skills and strategies that will free them from the cycle of poverty and enhance their ability support themselves, thereby preparing them to exit from the indigent register.

The City has linked identified beneficiaries from registered indigent households with various resources, ie EPWP initiatives. As part of poverty alleviation and contributing to creating jobs, 214 volunteers identified from registered households in the Indigent Programme were employed on a one-year contract from 1 August 2014 to 31 July 2015.

EARLY CHILDHOOD DEVELOPMENT PROGRAMME

The City of Tshwane's Early Childhood Development (ECD) Programme improves access to better-quality educare facilities for young children in Tshwane. It works to ensure that children are prepared for school and creates a

safe place for them while their parents go to work. The programme initiatives, which ensure priorities for previously disadvantaged communities, include an outreach programme for NGOs and the Ntataise After School Support Programme.

Tshwane's ECD policy has the following objectives:

- Creating an enabling environment for expanding access to quality ECD
- Promoting overall child health and well-being
- Promoting safe physical environments for expanding access to quality ECD
- Coordinating and effectively managing ECD services in the city
- Providing accessible quality ECD information management



Figure 12:

Tiendhleleni Preschool

As part of these objectives, a wide range of strategies have been implemented. The ECD programme is a collaborative approach between parents, ECD practitioners, NGOs, community groups, the corporate sector and local and national government. Information and knowledge is exchanged through an NGO forum and a range of IGR structures. In addition, the programme is integrated with Gauteng Provincial Department, NGOs and other service providers and funders.

The City has ten ECD centres: five in Atteridgeville and five in Mamelodi. Approximately R18 million is spent

annually on these centres.

In the 2012/13 financial year, the programme had a budget of R8 million for NGO-ECD funding, and about R20 million for ECD centres that are managed by the City. Since 2006, more than 1 000 practitioners from ECD centres that are managed by NGOs received training. In total, over this mayoral term, 474 ECD centres that are managed by NGOs benefitted from funding from the City of Tshwane, with approximately R48 million spent on the funding of NGO-managed ECD centres.

Almost 50 000 children have benefited from the City's focus on early childhood development, from both City-managed and NGO-managed ECD centres.



The City of Tshwane's ECD policy seeks to create an environment where children are nurtured by institutions and communities so that they can "grow up to be the best they can be in a child-friendly city that provides them with physical, emotional and social development."

F SECURITY AND SAFETY

INTRODUCTION

“An equitable city supports human happiness, social cohesion, safety and healthy citizens.”

— Outcome 4: Tshwane Vision 2055.

To contribute to achieving this outcome, the City maintains its commitment to ensuring the safety of its citizens through providing municipal policing, fire and emergency services.

1 METRO POLICE SERVICES

The core mandate of the Tshwane Metro Police Department (TMPD) focuses on road policing, by-law policing and crime prevention. Road policing centres on all activities that reduce, deter or prevent the occurrence of accidents through the following mechanisms:

- Ensuring effective and efficient law enforcement
- Monitoring relevant infrastructure as well as strategic interventions where and when necessary
- Providing supportive traffic control services

Through performing these actions, TMPD aims to secure a safe environment where the community can confidently use all roads in Tshwane without fear of damage, injury or death.

During the 2015/16 financial year, TMPD carried out the following:

- 1 344 road policing interventions
- 1 800 crime prevention interventions
- 562 by-law policing operations and interventions
- A total of 615 177 infringement notices were issued for road traffic and by-law offences in the various regions

PROGRAMMES AND SUCCESSES

WARD-BASED DEPLOYMENT STRATEGY

The Ward-based Deployment Strategy aims to advance the concept of “local-level policing” by ensuring a greater operational presence at a ward level. This strategy required a drastic increase in Metro Police resources and an executive commitment was made to increase TMPD’s operational strength to a total of 3 500 members within three financial years.

In line with the above, TMPD started the training of 2 200 trainees in December 2013. They qualified as Metro Police constables on 30 November 2015, which bring the total number of qualified members to 3 815.

On 1 December 2015, 1 925 students successfully graduated from trainee to constable after completing two diplomas, a Police Diploma and a Traffic Diploma. This is the largest number of trainees in Tshwane to date to graduate and become Metro Police officers.

The passing-out ceremony was a spectacular event where the new constables performed an outstanding parade and exhibited activities such as tactical firearm skills, drill, physical fitness, tactical skills and aerobics.



Figure 13: Inspection parade

CHILD PROTECTION DAY

The Tshwane Metro Police Department was invited to the Child Protection Day event hosted by the Soshanguve Early Childhood Development Forum which was held at Giant Stadium in Soshanguve on Friday, 10 June 2016. This event, hosted in commemoration of National Child Protection Week, was a jovial event for the children of Soshanguve where they recited poems and songs. The theme of the event was “let us protect children to move South Africa forward”.

The child protection campaign was established in 1997 as a move by government to involve the community in ensuring child care and protection as well as to create a safe environment for children.

The event at Giant Stadium was planned for children from crèches around Soshanguve to have an educational but fun day where they learned about their rights as well as fire and road safety. The programme also aimed to highlight the problems of child abuse, neglect and exploitation.



Figure 14: Cat mascots and crime prevention officers entertaining children at Giant Stadium

CABLE THEFT



The City of Tshwane is seriously affected by the theft of electricity cables, which has severe financial and economic consequences.

To address this issue, the Tshwane Metro Police Department established an operational team to focus on preventing cable theft in Tshwane.

Since the inception of this unit in 2014/15, 299 arrests were made. Cable theft was seriously reduced as compared to the 2015/16 statistics, during which time only 129 arrests were made

Figure 15: Open trenches

DRUG AND SUBSTANCE ABUSE

The Tshwane Metro Police Department established a dedicated drug unit to conduct drug operations in Tshwane. To date, 1 002 arrests have been made. Drug peddlers, dealers and users were arrested. Mainly heroine, nyaope and crystal meth (methamphetamine) were confiscated.



Figure 16: Drug paraphernalia

2 FIRE SERVICES

The City of Tshwane's Emergency Services Department focuses all its efforts on making Tshwane a city where the community can prosper in a safe environment. Fire Services is a component of the Emergency Services Department.

SERVICE DELIVERY SUCCESSES

During the 2015/16 financial year, the following were achieved:

- Fire Safety Services carried out 9 135 activities related to urban development control.
- A total of 9 157 activities related to general fire safety audits were completed.
- A total of 4 208 activities related to hazardous substances were carried out.
- 10 249 activities related to hydrant maintenance and 110 activities related to pre-incident planning were completed.

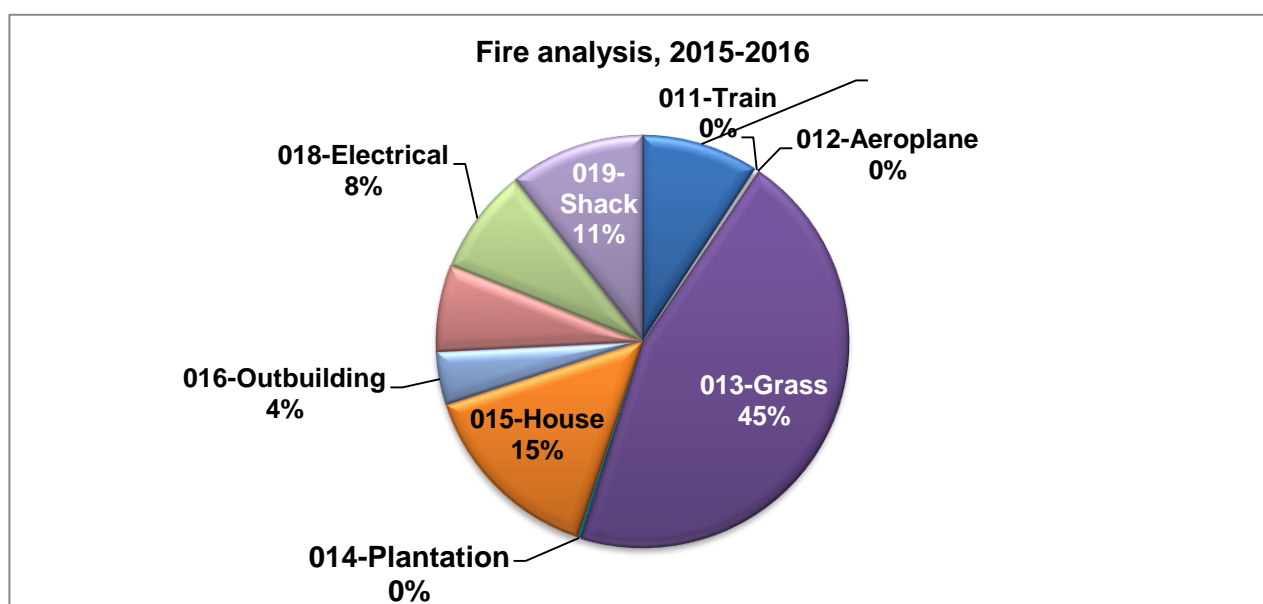
FIRE SERVICE DATA

Table 36: Metropolitan fire service data

Metropolitan Fire Service data					
	Details	2014/15	2015/16		2016/17
		Actual number	Estimated number	Actual number	Estimated number
1	Total fires attended to in the financial year	4 117	4 687	4 396	4 640
2	Total of other incidents attended to in the financial year	6 297	7 972 (rescue) and 1 029 (specialised humanitarian incidents)	6 311 (rescue) and 452 (specialised humanitarian incidents)	7 892 (rescue) and 1 019 (specialised humanitarian incidents)
3	Average turnout time in urban areas (structural fires, Category A to C, 12 minutes)	8 minutes	12 minutes	8,06 minutes	12 minutes
4	Average turnout time in rural areas (structural fires, Category D, 20 minutes)	17 minutes	20 minutes	18,8 minutes	20 minutes
5	Firefighters in posts at year end	597 fire personnel out of a divisional structural total of 747	597 fire personnel out of a divisional structural total of 747	592 fire personnel out of a divisional structural total of 747	592 fire personnel out of a divisional structural total of 747
6	Total fire appliances at year end (F&R)	54	43	44	36

Metropolitan Fire Service data					
	Details	2014/15	2015/16		2016/17
		Actual number	Estimated number	Actual number	Estimated number
7	Average number of appliances off the road during the year	35	20	22	8

Figure 17: Fire analysis, 2015/16



3 EMERGENCY SERVICES

The objectives of the Emergency Services Department respond to the goals of Chapter 12 of the National Development Plan, which deals with building safer communities and states that in 2030, people living in South Africa should feel safe and have no fear of crime.

The following work was done at various Emergency Services stations:

- Installation of air-conditioning at Central Emergency Services Station, Bronkhorstspuit Emergency Services Station and Pieter Delpont Centre
- Additions to the Breathing Apparatus Store at Central Emergency Services Station
- Construction of new Gardening Store for Expanded Public Works Programme equipment at Central Emergency Services Station
- Installation and commissioning of public address systems at all Emergency Services stations
- Construction of new platform and roof for containers used by the Specialist Task Force
- Manufacture and installation of fire gear lockers at Ga-Rankuwa, Bronkhorstspuit and Phillip Nel Park Emergency Services Stations
- Construction of a new access road and carport facilities at Central Emergency Services Station
- Supply, installation and commissioning of a new 200 kVA backup generator for Central Emergency Services Station

SCHOOL AWARENESS CAMPAIGNS

The City of Tshwane's Emergency Services Department conducted school awareness campaigns during the 2015/16 financial year.

Table 37: School awareness campaigns carried out

Date	Theme and purpose of awareness	Target group	Venue	Ward	Region
17 July 2015	Public awareness campaign	Early learners	Boitumelo Shelter	Ward 88	Region 1
22 July 2015	Mandela Day celebrations	Learners	Good Hope Centre, Eersterust	Ward 13	Region 6
18/08/15	Early childhood development	Learners	Temba	Ward 73	Region 2
21/08/15	School awareness campaign	Learners	Eersterust	Ward 13	Region 2
28/08/15	School awareness campaign	Learners	Sekampaneng	Ward 96	Region 2
21/10/2015	International fire awareness campaign	Learners	Bathabile Primary School, Olievenhoutbosch	Ward 77	Region 4
22/10/2015	International fire awareness campaign	learners	Rethabiseng in Bronkhorstspuit	Ward 103	Region 7
13/01/2016	Back-to-school campaign	Learners	Bronkhorstspuit	Ward 102	Region 7
12/02/2016	Pre-winter awareness	Scholars	Kanana, Hammanskraal	Ward 49	Region 2



Figure 18: School awareness campaigns

DISASTER MANAGEMENT

The Municipal Disaster Risk Management Framework (MDRMF) aims to ensure an integrated, coordinated and uniform approach to disaster risk management in the Municipality by all municipal departments, statutory functionaries of municipalities, all municipal entities operating in its area, non-governmental organisations involved in disaster risk management, and the private sector.

During the 2015/16, the following were achieved:

- 196 interventions to support and strengthen integrated institutional capacity for Disaster Risk Management (DRM) were carried out.
- 128 disaster risk assessment activities were conducted.
- 168 disaster risk reduction activities were conducted.

Specialist Task Force Service

The Specialist Task Force (STF) is responsible for –

- delivering hazardous substance expert services;
- providing Fire and EMS Safety Officers;
- providing specialist rescue operations;
- providing specialists in communication and IT;
- providing strategic planning inputs;
- providing fire safety officers around the clock;
- providing management of disease outbreak control;
- delivering expert services at specialised fires; and
- providing tactical planners for operations.

EMERGENCY MEDICAL SERVICES

Emergency Medical Services provides services to the community of Tshwane on an agency basis from Gauteng Provincial Government's Emergency Medical Services.

The Emergency Medical Services (EMS) Division consists of 423 staff members, 5 primary response vehicles, 70 ambulances, 7 transporters, 5 utility/logistics vehicles, 1 mobile clinic and 7 administrative support vehicles.

In order to provide services to the more than 3,2 million people in Tshwane, EMS operates in 24 stations across the seven regions.

Table 38: Emergency medical services

Emergency Medical Services							
Number	Details	2013/14		2014/15		2015/16	
		Actual number	Estimated number (target)	Actual number	Estimated number (target)	Actual number	Estimate number (target)
1	Number of patients taken to medical facilities during the year	77 930	70 000	89 471	80 000	86 458	80 000
2	Average time for emergency call – in urban areas	127%	80%	118%	80%	94,2%	80%
3	Average time from emergency call – in rural areas	63%	80%	73%	80%	94,2%	80%
4	Number of ambulances	29	26	40	55	26	28
5	Number of paramedics	58	52	80	110	86	146

G SPORT AND RECREATION

This component focuses on the following areas:

- Community parks
- Sport fields
- Sport halls
- Stadiums
- Swimming pools and camping sites

The Sport and Recreational Services Department promotes sport, recreation, art, culture, heritage and library and information services, and it implements development programmes to ensure sustainable, safer cities and integrated social development.

1 SPORT PROGRAMMES

FESTIVE COMMUNITY GAMES

The Festive Community Games started on the weekend of 12 December 2015 in five regions, namely 1, 2, 3, 6 and 7. Region 4 participated in the Region 3 games while Region 5 participated in the Region 7 games. The department supports the finals of all of these games with various logistics as well as sport equipment and attire. More than 20 teams participate in all the games respectively. The finals of the games were held on 28 and 30 December 2015.

The Sport Development Division partnered with the provincial Department of Sport to present aerobics programmes as part of Recreation Day. The event, which had more than 1 500 participants from across the city, was held on 1 December 2015 and coincided with World AIDS Day.

The department successfully hosted the Gauteng Cup at Lucas “Masterpieces” Moripe Stadium. It also hosted the official opening of the Hammanskraal Cricket Oval in Region 2 and successfully hosted the Aerobics Marathon in Region 3.

TSHWANE NETBALL CHALLENGE

This annual event evaluates the impact of the development initiatives of the City of Tshwane and Gauteng North Netball in Tshwane’s seven regions and determines which team in Tshwane is the best.

The Netball Development Programme is implemented in partnership with the Gauteng North Netball Union and the Gauteng Province. It aims to support the development of netball clubs and to identify exceptional talent that can be nurtured.

The programme has so far achieved its goal, and the number of clubs participating in the annual netball tournament has increased over the years.

Over and above selections made in 2014 and 2015, a group of 45 girls was selected for incubation. They would receive thorough training and development. This group was taken on a weekend-long camp in November 2015 in preparation for the regional and provincial tournaments. Six of the seven regions participated in the regional tournament which had more than 600 players. The Tshwane regional team of 25 players, selected from the 45 mentioned above, represented the City for the first time at the provincial games in February 2016. Overall, Gauteng came third in the tournament.

2 ART AND CULTURE PROGRAMMES

MELODING YA TSHWANE CHORAL FESTIVAL

The Sport and Recreational Services Department, in partnership with the Tshwane Choral Music Association, hosted the Meloding ya Tshwane Choir Festival on 18 October 2015 at the Tshwane University of Technology. The main objective of the festival was to develop choral music in the Tshwane region, as well as to ensure strong representation at all choral music competitions and to enhance the profile of choral music in the city. The festival also aimed to honour past and present choral music composers from Tshwane. The first legend to receive the honour was the late Mr JP Motuba, whose music was performed throughout the festival, together with songs from other composers.

MZANSI FELA FESTIVAL

The Sport and Recreational Services Department has partnered with the South African State Theatre for the annual Mzansi Fela Festival in December 2015, which has become one of the most anticipated festivals of the year in Tshwane. The festival presents exciting music, theatre, dance, comedy and poetry in collaboration with high-profile artists. The event contributes positively to local youth development by addressing youth issues via community programmes in theatre, poetry, music and other performing arts.

FILM AND PHOTOGRAPHY PROGRAMME 2015/2016

In February 2016, the department participated in workshops with the Gauteng Department of Economic Development and Gauteng regions to develop a Creative Industry Draft Strategy 2015 on film, music and crafts. Film and photography workshops took place during September to December 2015 to reach the objective. The fourth iMPAC Festival took place from 18 to 21 September 2015, including a day-long film workshop, called Guerrilla Filmmaking, on 18 September with Future Families orphanage from Olievenhoutbosch. A photography workshop, Bo'Nna: From My Point of View Photography, was conducted in Soshanguve on 2 October 2015 as an

initiative by the Italian Embassy and Oxfam Italia, and it concluded in a photography exhibition and prize-giving ceremony on 8 December 2015.

THEATRE PROGRAMME

From 5 to 10 August 2015, the Sport and Recreational Services Department, in collaboration with the Office of the Executive Mayor, has executed a creative, educational and interactive cultural exchange project called Fly Language Poetry Exchange Programme 2015, in partnership with the DC Commission on the Arts and Humanities, together with Split This Rock, an NGO poetry group from Washington DC. This was a follow-up to the 2013 outreach programme.

In 2015, the poetry programme featured a host of industry professionals, leaders, academics and entrepreneurs that took part in poetry dialogues, master classes, workshops, slam sessions and the Speak Out Loud Poetry Competition 2015. Auditions for the Tshwane Speak Out Loud Youth Poetry Competition 2016 were held on 24 to 25 June and 29 to 30 June 2016 at Es'kia Mphahlele Library Hall.

DESIGN AND FASHION PROGRAMMES 2015/2016

The Gauteng Fashion Council (GFC) was registered on 24 April 2015 as a non-profit organisation, and it has sought the assistance and guidance of municipalities to successfully implement its strategy and mandate of skills development and job creation. The official launch of the Gauteng Fashion Council was on 20 April 2016 at Constitution Hill, and designers and models from all municipalities throughout South Africa participated. There have since been opportunities for community stakeholders to participate in various programmes in the fashion industry.

A GFC Fashion Stakeholder Workshop for the City of Tshwane was held on 7 October 2015 to introduce the GFC to industry players in Tshwane and to select executive forum members. A *bosberaad* followed on 9 and 10 January 2016 to discuss strategic matters, and the GFC participated in a fashion industry exhibition at NASREC from 10 to 19 June 2016.

The Sport and Recreational Services Department hosted the Young Fashion Designers Showcase on 30 June 2016 at Soshanguve Crossing Mall as part of the Tshwane Anti-substance Abuse Social Movement Campaign, aimed to empower fashion designers and models in Soshanguve, to focus on fashion as a successful career choice, and to discourage young people from engaging in activities associated with drug and substance abuse.

H CORPORATE POLICY OFFICES AND OTHER SERVICES

This component focuses on the following departments:

- City Strategies and Performance Management
- City Sustainability Unit
- Group Information and Communication Technology
- Research and Innovation
- Office of the Speaker
- Group Legal Services
- Group Audit and Risk

1 CITY STRATEGIES AND PERFORMANCE MANAGEMENT

INTRODUCTION

The City Strategies and Performance Management (CSPM) Department is a strategic department in the City of Tshwane whose key functions relate to –

- formulating short-, medium- and long-term plans; and
- monitoring, verifying and reporting on the performance of the organisation.

It plays a Level 2 assurance role with regard to the plans and reports of the City, especially in relation to the IDP, the SDBIP and the AOPO process.

HIGHLIGHTS

The CSPM Department achieved the following during 2015/16:

- Development of the 2011–2016 IDP and its annual reviews
- Development of the 2016–2021 IDP
- Development of the annual SDBIPs
- Development of annual reports for the City since 2011
- Audit and verification of performance results
- Training of departments on performance management
- Development of the performance management framework
- Development and management of the IT system for performance reporting
- Development of the end-of-term report for the 2011/16 term

IMPACT OF THE DEPARTMENT ON THE ORGANISATION

Like many support or policy departments, much of the work of the City Strategies and Performance Management Department is unseen or behind the scenes; however, the impact of the department's work is far-reaching with regard to the governance processes of the City. It is a strategic department that has the interests of the community at heart, and therefore it is the custodian of planning and performance.

As the custodian of planning, the department has to ensure that the organisation's plans respond to the short- and long-term needs and interests of the community. It therefore has to put in place measures to ensure that City departments respond to community priorities and do not set arbitrary targets or fund non-priority projects.

As the custodian of performance management, the department coaches and mentors departments, verifies and interrogates the claimed performance of departments to establish the veracity of performance, and it puts in place strict guidelines and measures that must be adhered to in order to maintain the integrity of the performance reporting system. Furthermore, the Performance Management Division interrogates the usefulness and measurability of plans that are recommended and makes recommendations to the head of department for corrections.

As indicated in the governance chapter of this report, the City Strategies and Performance Management Department plays a central role in the second level of assurance of the organisation's products. If the department's advice is not taken, there is a risk of legislative non-compliance, reliability of information or usefulness findings from the AGSA, or continued control deficiencies of the organisation.

2 CITY SUSTAINABILITY UNIT

INTRODUCTION

The City Sustainability Unit (CSU) was established in the Office of the Executive Mayor in 2013. It is currently mandated to address climate change and stimulate the green economy, which it does through policy development, research, awareness-raising and demonstration projects. Because its focus areas are multidisciplinary and transversal, the CSU is able to interface with many of the City's departments and ensures that issues of sustainability and climate change are engendered in subject-specific policies, strategies and activities.

WORK OF THE UNIT DURING THE 2015/16 FINANCIAL YEAR

The 2015/16 financial year was a particularly busy one for the unit as shown by the following:

Climate change planning and response measures

February 2016: Completion of the carbon footprints for 2013/14 and 2014/15.

July 2016: Completion of the State of Energy Study.

July 2016: Completion of the Climate Change Response Plan.

Facilitating the green economy

April 2016: Launch of the Tshwane Food and Energy Centre in Bronkhorstspuit.

June 2016: Facilitation of cost-neutral green economy interventions aimed at enhancing service delivery in Tshwane.

Sustainable energy

October 2015: Launch of first independently financed biogas digester supplying BMW (vehicle manufacturer) a third of its base load.

May 2016: Initiation of process to develop the Small-scale Embedded Generation Policy and Guideline.

Low-carbon mobility

September 2015: After the successful Green Ride 2014 in Mamelodi, a second Green Ride is organised in Atteridgeville.

May 2015: The City invests in 10 electric cars for its messenger fleet.

October 2015: Launch of the Eersterust Cycling Club.

October 2015: Launch of the 100% CNG-powered buses to form part of the bus rapid transit system (A Re Yeng).

June 2016: The Green Mile, a convoy of electric vehicles transporting mayors of African capital cities through Tshwane, demonstrates the potential of electric vehicles.

Green buildings

May 2015: The City of Tshwane becomes a select member of the Green Building Council of South Africa's Green Building Leadership Network.

Waste management

July 2016: The multi-purpose Material Recovery Facility becomes operational on the buffer of the

decommissioned Kwaggasrand landfill site.

Resource mobilisation, partnerships and sustainability profiling

September 2015: The City of Tshwane enters into an agreement with the Gauteng Infrastructure Funding Agency on funding a feasibility study on alternative waste treatment technologies.

December 2016: The Executive Mayor leads a local government delegation to participate in COP21, with technical and logistical support from the CSU.

March 2016: The City of Tshwane becomes part of the Global Lead Cities Network on Sustainable Public Procurement.

May 2016: The City of Tshwane is announced as the National Earth Hour Capital 2016.

May 2016: The City of Tshwane, through SALGA and SACN, enters into an agreement of cooperation with the R20 Regions for Climate Change.

June 2016: Second instalment of African Capital Cities Sustainability Forum and third annual hosting of Sustainability Week.

Sustainability outreach

June 2016: Launch of the Tshwane Green Up app

The City Sustainability Unit accomplished these milestones, which are unique to the City and in fact to many metropolitan municipalities. This team contributed to the spirit of innovation by building the sustainability profile of the City, for which the City has been rewarded by being announced the 2015 National Earth Hour Capital.

THE CITY OF TSHWANE HEADQUARTERS, TSHWANE HOUSE, AS A GREEN BUILDING WITH A FIVE-STAR GREEN GRADING STATUS

In the spirit of the Green Buildings Policy and By-law, the City is in the process of building a new state-of-the-art energy-efficient municipal centre, Tshwane House. The building design has already been approved for a five-star rating by the Green Building Council of South Africa. This project is being implemented concurrently with a R7 billion inner city rejuvenation project which is aligned with the goals of Tshwane Vision 2055. The building is due for completion and occupation by the end of November 2016.

LAUNCH OF THE GREEN SERVICE DELIVERY PROGRAMME

The Green Service Delivery Project is part of the Tshwane Green Outreach Programme which aims to create a sustainability-conscious workforce in the City of Tshwane. The idea is to lead by example while exploiting the opportunities for sustainability that exist in the public sector, eg fuel efficiency/switching in transport, efficient

use of electricity, proper waste management and efficient water management. As such, the Green Service Delivery Project will focus on these areas over time, with separation of waste at the source as the main activity for immediate implementation.

The City of Tshwane employs at least 19 000 people and each of these employees can play a role to change behaviour. Actions include procuring greener goods and services, minimising the use of paper, separating waste at the source and using public transport to commute to and from work. The Green Service Delivery Project was launched on 28 March 2015 as part of the Earth Hour Challenge programme.

The City Sustainability Unit in the Office of the Executive Mayor is an advisory unit that drives Outcome 1 of Vision 2055, which aims to transition Tshwane to a low-carbon, resource-efficient and climate-resilient capital city. As part of introducing and sustaining the green office and service delivery interventions, the Sustainability Unit requested departments, regions and offices to nominate green ambassadors. The Tshwane Green Ambassadors will be trained and provided with the resources, skills, and knowledge necessary to effect change and serve as leaders and change agents in their offices/sections.

FINALISATION OF THE SUSTAINABILITY FINANCING STRATEGY

City resources are stretched, given the development imperatives that it contends with. The City Sustainability Unit does not want to see sustainability-oriented initiatives fail to take root in Tshwane due to a lack of resources. Therefore, it saw fit to develop a Sustainability Financing Strategy that will identify sustainability projects and plan how these can be financed without burdening the local fiscus.

IDENTIFICATION OF PREFERRED BIDDERS FOR OFF-THE-BALANCE-SHEET GREEN ECONOMY PROJECTS

As with the Sustainability Financing Strategy, the City Sustainability Unit explored ways in which it could initiate green economy projects without placing any undue stress on the local fiscus. It initiated a request for information followed by a request for proposals aimed at engaging the marketplace for off-the-balance-sheet green economy solutions. This resulted in nine bidders receiving letters confirming that they are preferred bidders. Contractual arrangements are subject to the outcome of a transactional advisory process. Key green economy projects that are underway include the following

- Landfill gas to energy
- Biomass
- Sewage sludge
- Solar harvesting farm

CITY OF TSHWANE'S SECOND YEAR TO HOST SUSTAINABILITY WEEK AND TO LAUNCH THE AFRICAN CAPITAL CITIES SUSTAINABILITY FORUM

The City of Tshwane hosted the second instalment of Sustainability Week in June 2016 at the CSIR, where mayors of African capital cities gathered in Tshwane, the capital city of South Africa, to advance sustainability on the African continent through ground-breaking initiatives. They noted the current global challenges that threaten growth and development in our cities, especially those related to climate change, global economic slowdown, trade facilitation, connectivity, and land degradation caused by mining activities and water shortages, and they committed to convene annually as leaders of capital cities in Africa to take stock of progress and consolidate African cities in positions of urban sustainability.

3 GROUP INFORMATION AND COMMUNICATION TECHNOLOGY

The Group ICT Department strategically manages and directs all ICT resources to support the business of the City of Tshwane.

The Group ICT Department's functions include the following priority areas:

- Providing strategic ICT leadership in Tshwane
- Managing ICT infrastructure services in the City
- Providing strategic ICT application support to the City
- Implementing sound ICT governance

SERVICE DELIVERY PROGRAMMES AND SUCCESSES

During the 2015/16 year, Group ICT achieved the following:

- The successful roll-out of the Electronic Bill Presentment and Payment (EBPP). There are currently 41 718 registered users and 72 729 accounts from 1 July 2015 until 30 June 2016.
- The launch of the Interactive Digital Centre (IDC) that focuses on virtual-reality-based knowledge transfer and educational needs that address vocational skills training.

ROLL-OUT OF FREE WI-FI

The City, through the Group ICT Department, installed internet access points at 128 sites in all regions in addition to the existing free Wi-Fi that had been rolled out throughout Tshwane. The department has launched three additional services to its network: Tshwane Wi-Fi Voice, Tshwane Wi-Fi Chat, and Tshwane Wi-Fi Drive-In.

4 RESEARCH AND INNOVATION

INTRODUCTION

The Research and Innovation Department focuses on creating an ecosystem for knowledge and innovation in the City on which the City will draw in order to access new solutions that will radically transform service delivery and embed a culture of quality and innovation, thus positioning the City as a centre of excellence in Africa.

ANNUAL TSHWANE RESEARCH AND INNOVATION SUMMIT (TRIS)

The Research and Innovation Department and Tshwane Research Institute hosted the annual Tshwane Research and Innovation Summit (TRIS) at The Innovation Hub on 24 to 25 May 2016. The symposium was attended by 270 delegates from various sectors, namely academics, representatives of research centres, industry experts, innovators from a variety of sectors, City of Tshwane employees, individual entrepreneurs and innovators, and interested members of the public.

5 OFFICE OF THE SPEAKER

INTRODUCTION

The Office of the Speaker is mandated, in accordance with the City of Tshwane governance model approved by the Council on 9 June 2011, to function as a local legislature and to serve, amongst others, as a link between the executive and the community.

The following two important functions of the Office of the Speaker are to be highlighted:

- Support to the Council and committees of the Council
- A mandate to lead public participation and consultation processes

PROGRESS

WARD COMMITTEES

Ward committees were formed in 105 wards. However, due to court processes, ward committees were halted and suspended, effective from November 2014, due to the finalisation of the court processes declaring the election of the ward committees invalid. The Council took a resolution to have Transitional Ward-based Consultative Forum meetings, which ensured a platform to reach the community while awaiting new elections of the ward committees.

The Office of the Speaker plays an important role in training all ward committee members in identified core skills as part of the drive to capacitate ward committees for improved participation and to play a meaningful role as a bridge between the Council and the community. The functionality and effectiveness of the ward committee system are determined by the outcomes of the IDP.

PUBLIC PARTICIPATION

Public participation is a critical part of democracy and serves as a communication forum between the Municipality and the community. It gives members of the community and stakeholders an opportunity to inform the Municipality of their development needs. The Office of the Speaker mobilises the community to ensure effective public participation.

Consultations were facilitated, including the following key areas:

- Consultation on by-laws
- IDP and MTREF public participation
- Ward delimitation process with Municipal Demarcation Board
- Voter awareness campaign in support of IEC

PETITIONS RAISED BY THE COMMUNITY

The Office of the Speaker facilitates responses to petitions raised by the community. For the 2015/16 financial year, the petitions committee received 174 petitions and resolved 150 of them. The remaining 24 petitions are planned to be resolved before the end of the 2016/17 financial year by the Section 79 Standing Committee. The turnaround time to resolve petitions is 90 days; however, most petitions are resolved within 60 days.

The petitions are registered and referred to the Office of the Speaker for consideration and comment. Inter-departmental meetings are convened with petitioners for clarity purposes and to request more information. The Office of the Speaker visits the petitioners to obtain clarity regarding the petitions and to perform site inspections.

Petitioners are invited to the deliberations of the Petitions Committee meeting and given the opportunity to discuss the matter before resolutions are taken. The resolutions are given to petitioners and forwarded to the relevant departments for implementation. The Office of the Speaker, together with petitioners, monitors the implementation of the resolutions.

SUPPORT FOR TRADITIONAL LEADERS

Section 81 of the Municipal Structures Act, 1998 (Act 117 of 1998) states the following:

- (1) Traditional Authorities that traditionally observe the system of customary law in the area of municipalities may participate through their leaders identified in terms of subsection (2), in the proceedings of the council of that municipality, and those traditional leaders must be allowed to attend and participate in any meeting of the council.*

(2)(a) The MEC for Local Government in the Province, in accordance with Schedule 6 and by notice in the Provincial Gazette, must identify the traditional leaders who in terms of subsection (1) may participate in the proceedings of the municipal council.

The Office of the Speaker provides support to recognised traditional leaders and is responsible for coordinating all issues related to traditional leadership in Tshwane.

It is therefore important that the Office of the Speaker engage with the various traditional leadership stakeholders in Tshwane to find common ground and formalise the areas of cooperation in order to ensure effective and efficient communication with and support to these stakeholders.

In terms of the Provincial Gazette Extraordinary, 4 February 2013, the MEC for Local Government in the Province of Gauteng identified the following two traditional leaders who may participate in the proceedings of the City of Tshwane Municipal Council:

1. Kgosi Kgomotso Cornelius Kekana, AmaNdebele-ba-Lebelo Community (Majaneng, Hammanskraal)
2. Ikosi Mkhambi Petrus Mahlangu, AmaNdebele-ka-Ndzundza Sokhulumu Community (Sokhulumu)

HIGHLIGHTS OF THE DEPARTMENT FOR 2015/16

WORLD CANCER DAY

The City of Tshwane participated in the TMZF World Cancer Day mass screening which was held on 13 February 2016 at Laudium Sport Grounds.

Approximately 600 participants attended the event, ranging from survivors, newly diagnosed, families, government officials, NGOs, cancer leaders and private-sector partners.

Steered by the Office of the Speaker, two task team meetings were established, which were represented by the TMZF and the Joint Operations Committee to assist in ensuring compliance as well as providing the following municipal services:

- EMS
- SAPS
- Metro Police
- Horticulture services (plant decoration)
- Public liability insurance



THE MORAL REGENERATION MOVEMENT'S CHARTER OF ELECTION ETHICS

The Moral Regeneration Movement's Charter of Election Ethics ceremony was held at Constitution Hill in Braamfontein on 13 April 2016. The Moral Regeneration Movement held the event in partnership with the South African Local Government Association (SALGA), supported by the Independent Electoral Commission (IEC). During this event, all political parties that would take part in the upcoming local government elections signed the MRM Charter of Election Values.

The objective of the signing ceremony was to ensure that all political parties who signed the Charter pledged to conduct their election campaigns as follows:

- They should conduct their campaigns honestly and with integrity. Campaigns should not mislead the public.
- They should promote tolerance through their words, actions and the tone of their language.
- Parties and candidates should avoid practices that could be seen as "buying votes".

6 GROUP LEGAL SERVICES

Group Legal Services provides legal services to the political and administrative arms of the City of Tshwane. The department interacts with national, provincial and other stakeholders, including the national Department of Justice, national Department of Transport and the National Prosecution Authority (NPA), and it contributes to these organisations.

The core functions of the department include the following:

Litigation management

- Defending all legal action/applications instituted against the City of Tshwane by third parties
- Instituting legal action/applications on behalf of the City of Tshwane against third parties

Corporate and Council legal compliance

- Providing legal comments on all reports submitted to City of Tshwane committees, the Mayoral Committee and the Council
- Providing legal opinions to the Council and departments
- Providing legal comments in respect of proposed provincial and national legislation
- Drafting City of Tshwane by-laws and assisting departments with policy-making
- Providing legal support to the Office of the Speaker
- Providing legal advice, comments or opinions to the various procurement committees in terms of the City of Tshwane's Supply Chain Policy
- Providing specialised legal services in respect of projects or initiatives of the City of Tshwane and serving on the technical task teams concerned
- Providing specialised legal support in respect of commercial ventures and related contracts
- Managing and finalising (repudiating, settling and defending) all claims instituted against the City of Tshwane by third parties
- Managing the legal process to recover damages from third parties regarding City of Tshwane property

Alienation, acquisitions and development law

- Providing legal advice, comments or opinions in respect of the alienation (sale or lease) of City of Tshwane property
- Providing legal advice, comments or opinions in respect all applications relating to changes of land use rights
- Overseeing and finalising the obtainment of land or servitudes for municipal services through expropriations or purchase agreements

The Group Audit and Risk Department is established in terms of section 165 of the MFMA. For the department to fully and effectively execute its mandate, the principles of objectivity and independence are important and should be respected at all times. The desired level of independence is to a large extent determined by the reporting structure of the department. According to the King III Report of Good Governance and the Institute of Internal Auditors South Africa, independence of the internal audit activity is enhanced when the head of internal audit reports functionally to the Audit and Performance Committee and administratively to the City Manager, and the Group Audit and Risk Department acts in accordance with this best practice.

VISION, MISSION AND PRIORITIES

VISION

The department's vision is to provide a proactive value-adding assurance and consulting service that will support the City of Tshwane and its entities to achieve the Tshwane Vision 2055.

MISSION

The department's mission is to –

- improve organisational performance through innovation, good governance, evaluation of control design and effectiveness;
- contribute to the improvement of risk management processes;
- assist in maintaining effective and efficient controls in promoting continuous improvement of the quality of life of the residents of Tshwane; and
- enforce an ethical environment by promoting partnerships that are accountable for eradicating fraud and corruption.

PRIORITIES

The department's main priorities are as follows:

- Increasing proactive and preventative initiatives in the fight against fraud and corruption
- Increasing in-house capacity through filling vacant positions on the approved structure and training existing staff, in order to reduce reliance on co-sourced partners

- Restructuring the organogram to accommodate the additional functions that have been transferred to the department, eg insurance
- Increasing the department's footprint in the consulting services

Consistent with the department's mandate, the operations of Group Audit and Risk are guided by the following legislation, policies and best-practice documents:

- Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003)
- Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)
- National Treasury circulars issued in terms of various local government legislation, including MFMA Circular 65
- King III Report of Governance in South Africa
- COSO Framework
- National Treasury frameworks, including the National Treasury Internal Audit Framework and the Public Sector Risk Management Framework
- International Standards for the Professional Practice of Internal Auditing as published by the Institute of Internal Audit South Africa
- City of Tshwane Internal Audit Charter
- City of Tshwane Risk Management Policy
- City of Tshwane Business Continuity Management Policy
- City of Tshwane Audit and Performance Committee Charter

The Group Audit and Risk Department's contribution to the Tshwane Vision 2055 is through Outcome 5, **An African capital city that promotes excellence and innovative governance solutions**. It cuts across all the six outcomes, albeit indirectly, through its advisory role as legislated in terms of section 165 of the MFMA. Central to the department's contribution to Outcome 5 and three strategic actions are the following: focus on strategic risk management and mitigation, ethical leadership and fighting fraud and corruption.

FOCUS ON STRATEGIC RISK MANAGEMENT AND MITIGATION

The department has an active Risk Management Division, headed by the Chief Risk Officer, which is responsible for providing specialist risk management advice. During the financial year under review, this division has facilitated the development of the City's strategic risk register, departmental/operational risk registers and regional risk registers. The facilitation process included assisting management with identifying mitigation measures in order to address the risks to be within the City of Tshwane risk tolerance and appetite levels. In addition to the facilitation process, the division conducted an internal control assessment or validation process which aims to provide an objective and independent assessment of the strength of existing controls so that the

residual level is as accurate as possible. In addition, the department conducted biannual reviews of the status of the implementation of risk mitigation strategies and measures.

ETHICAL LEADERSHIP

Ethical leadership is one of the basic principles recommended by King III as essential to good governance. An ethical leadership sets the tone for the whole organisation in terms of acceptable and unacceptable behaviour. As the corporate conscience of the City, Group Audit and Risk plays an important role in enhancing ethical leadership and instilling a culture of ethical leadership. During the financial year under review, the department, through its Internal Audit Services, conducted several audits including the quarterly review of Supply Chain Management processes that aimed to enhance a culture of ethical conduct and leadership.

Furthermore, the department's Forensic Services Division conducted several workshops and activities aimed at encouraging ethical behaviour among the City of Tshwane workforce.

In addition to the in-house events, the department also conducted public awareness programmes that aimed to encourage members of the public to hold councillors, employees and service providers accountable. This was done through providing facilities/avenues through which members of the public can report any unethical behaviour or conduct by service providers, councillors and employees.

ANTI-FRAUD AND CORRUPTION

According to global research conducted by the Association of Certified Fraud Examiners, at least 5% of an organisation's turnover is lost to fraud and corruption. As indicated above, the City of Tshwane, through Group Audit and Risk, launched the Tshwane Anti-fraud and Corruption hotline in 2013, and activity on the hotline has steadily increased. To date, 1 088 cases reported through the hotline have been resolved. Where officials were found to be at odds with good professional and ethical conduct, punitive action has been recommended against them, including reprimands, summary dismissal and/or reporting to the South African Police Services (SAPS) for further investigation and possible prosecution.

RISK MANAGEMENT

As required by section 165 of the MFMA, the Internal Audit Division prepared a risk-based audit plan and audit programme for the 2015/2016 financial year and reported to the APC on the implementation of the audit plan as well as matters related to internal audit, internal controls, accounting procedures, performance and practices, risk and management, performance management, loss control as well as compliance with the MFMA. In addition, as provided by section 45 and section 46 of the MSA, the division reviewed the performance report that was prepared by the City which compared the actual performance to the set targets as well as the measures that were committed to in order to improve performance where targets were not met.

The following are the major risks that were identified within the department and the mitigation plans for them.

Table 39: Risk management in Group Audit and Risk

Risk	Mitigation plan
Failure to complete the approved annual audit plan	<ol style="list-style-type: none"> 1. An assessment of outstanding audits and available resources was conducted, and a request to defer some audits was submitted to the APC for approval. 2. All the work that was returned and was over and above the available in-house man hours were outsourced, and it is expected that the plan will be completed at the end of the audit cycle.
Insufficient budget to cover the operating costs	<ol style="list-style-type: none"> 1. A request to defer some audits was submitted to the APC. 2. Additional funding was requested. 3. In-house transfer pricing was introduced to charge the department for work conducted by Group Audit and Risk in the respective departments' environments.
Increase in backlog of outstanding hotline cases	<ol style="list-style-type: none"> 1. A request was made for additional funding. 2. Some of the cases are to be co-sourced and/or outsourced.
Insufficient internal capacity to execute the work	<ol style="list-style-type: none"> 1. Motivation was made for additional funding to fill vacant positions on the approved structure.
Failure to retain skilled and experienced staff	<ol style="list-style-type: none"> 1. Promotion is to be from within the Municipality instead of people being brought from outside the City to hold positions of responsibility. 2. The internship programme is to be extended so as to develop our own skills base.
Negative assessment of the department effectiveness by the AGSA	<ol style="list-style-type: none"> 1. The AGSA will be engaged with and operations benchmarked against the recommended performance levels. 2. The National Treasury will be engaged to conduct a Quality Assurance Review. 3. The City of Ekurhuleni will be engaged with as part of benchmarking.

POLICIES

During the year, the following policy documents were developed/reviewed:

- In order to achieve a synergy within the department, Group Audit and Risk has developed a comprehensive methodology that will align the four departmental functions. This has been submitted to the National Treasury for their input in order to ensure that it complies with best practice.
- In its endeavour to stay relevant and up to date with new and emerging trends, the department has reviewed the Internal Audit Charter, the Risk Committee Charter, the APC Charter and the Management Strategy. In reviewing these documents, the department consulted with stakeholders and the legislature that governs it, and it also referred to best practises.

STRATEGIC PARTNERSHIPS

The department's operations have a direct bearing on the City's overall audit outcome. To ensure that its processes are properly aligned with the delivery of a clean audit, the department entered into a strategic partnership – as part of the Combined Assurance Implementation Strategy – with the AGSA, through which the latter's inputs were obtained to improve value addition at the different stages of the audit process. Firstly, the audit plan was shared with the AGSA, and it provided inputs in terms of possible coverage areas, audit procedures, audit areas to consider adding to the audit plan, the timing of some of the audits whose outcome has a direct impact on the external audit outcome, and the AGSA explored and agreed to jointly execute some audit procedures. These inputs were considered by management and incorporated into the audit plan. The partnership resulted in an improved assessment of the department's effectiveness as an assurance provider and a key control driver. (Assessment is conducted by the AGSA as part of the City's governance review.)

During the year under review, the department partnered with the National Treasury to assist with the internal Quality Assurance Review (QAR) of the Internal Audit function. This is the first time that the City has conducted this exercise, and the results will provide an independent and well-grounded point of reference for enhancing the performance and effectiveness of the Internal Audit function. The results of the review are expected in the next financial year.

Group Audit and Risk takes cognisance of the challenges facing the department and the City as whole in obtaining a clean audit outcome. In order to address its operational and process deficiencies, the department has embarked on a programme of continuous engagement with the City of Ekurhuleni which aims to benchmark the former's processes against the latter's, especially in the areas of communicating with oversight committees, including the Audit and Performance Committee.

PERFORMANCE

In order to effectively execute its mandate and effectively respond to stakeholder demands and expectations, the department is structured as follows:

- Internal audit services
- Specialised audit services
- Risk management
- Forensic services

In the 2014/2015 financial year, the City adopted the Combined Assurance Model. The main objectives were to minimise duplication of effort, create a more complementary work process, clearly outline the duties and responsibilities of each role player in the value chain and increase the level of AGSA reliance on the work of

Internal Audit. The process involved engagements with the department's various key stakeholders, including management, the APC and AGSA.

During the 2015/2016 financial year, Forensic Investigation received 376 cases for investigation in addition to the 124 cases that were carried over from the previous financial year. The number of cases registered increased as compared to previous years. This was due to a fraud prevention marketing strategy that promoted our KPMG Hotline and the Forensic Investigation Unit and its duties. As a result of the promotion, the City of Tshwane's forensic investigation function was recognised and well utilised.

However, the forensic audit function is hampered by insufficient resources. Against this backdrop, Forensic Services has cases that were carried over from the previous financial years. To curb the problem, most of the complex cases were outsourced to service providers.

IMPACT OF THE DEPARTMENT ON THE COMMUNITY

In 2013 the City launched the Tshwane Anti-fraud and Corruption Hotline, a facility that members of the public can use to report allegations of fraud, corruption, maladministration and any other deviant behaviour that is not consistent with good governance and ethical conduct. As a result of the awareness campaigns conducted by Group Audit and Risk, the facility has proved to be a reliable avenue through which the community can play an active role in the City's war against fraud and corruption. Over the years, the number of cases reported through the hotline has steadily increased, which indicates the community's confidence in the hotline. It is also testimony to the effectiveness of the hotline awareness campaigns.

In addition to running the awareness campaigns, the department is responsible for investigating and recommending corrective action to be instituted against perpetrators. As at 30 June 2016, a total of 1 088 cases have been resolved, which boosts public confidence that the City takes matters related to fraud and corruption seriously and that any matters will be investigated and perpetrators held accountable for their actions.

Furthermore, the department contributed to improving the community's quality of life through auditing and providing specialised risk management services on projects and activities related service delivery, such as City operations that have a direct bearing on the quality of life of residents, for example reviewing the Tshwane Rapid Transit system, primary healthcare, regional support and other audit assignments related to infrastructure and service delivery. The audits revealed significant deficiencies and provided recommendations that will have a positive impact on the community and the general quality of life of residents if they are fully implemented.

I ORGANISATIONAL PERFORMANCE SCORECARDS

INTRODUCTION

The purpose of this section of the report is to present performance against specific targets on the following scorecards:

- The IDP targets
- The SDBIP targets
- The business plan targets of the municipal entities

Each financial year, the Municipality and its municipal entities, through the IDP and MTREF processes, take three key documents to the Council for approval, namely the IDP, the MTREF and the business plans of the municipal entities.

The IDP is developed once every five years for a Council term; it is, however, reviewed annually. The municipal entity business plans are multi-year documents. They are, however, required to be reviewed annually by the MSA, in line with the MTREF and IDP reviews. The SDBIP targets of the Municipality are approved by the Executive Mayor and are tabled at Council.

Since the approval of Tshwane Vision 2055, the IDP, MTREF, the entities' business plans and the SDBIP are aligned with the outcomes for the first decade of change.

The relationship between the Tshwane Vision 2055 outcomes and the approved strategic objectives (SO) of the IDP is depicted in the following two diagrams:

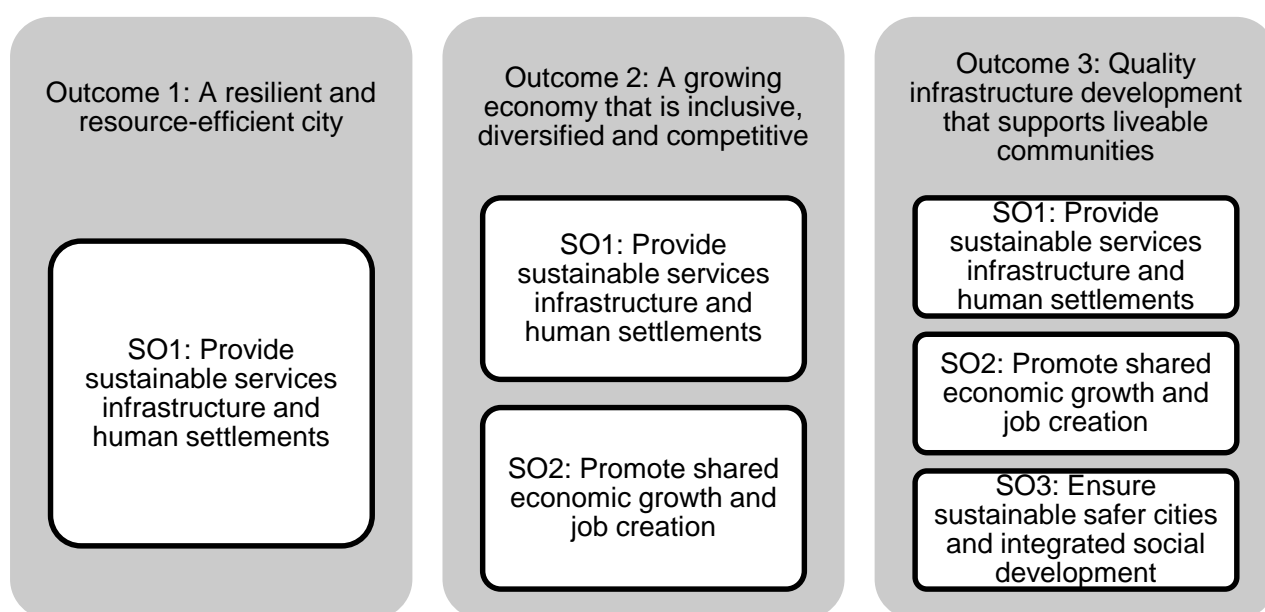


Figure 19: Tshwane Vision 2055, Outcomes 1 to 3

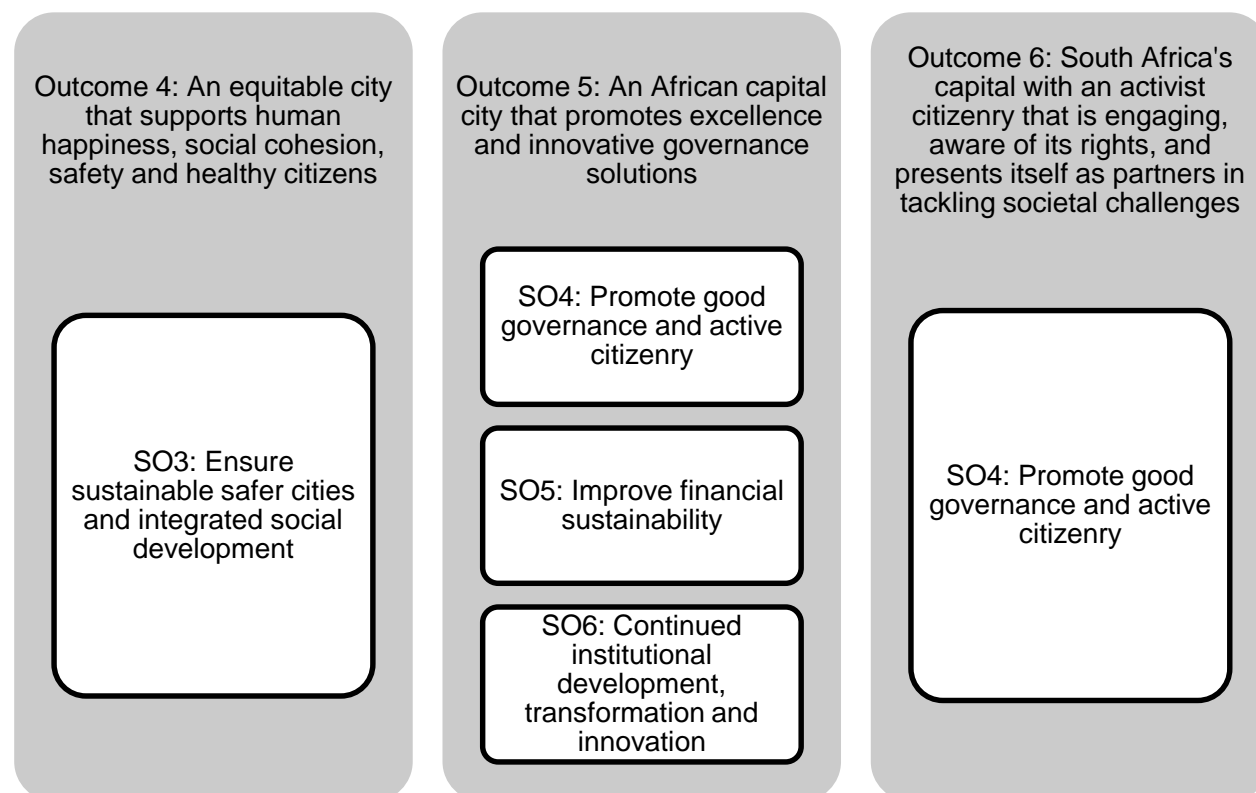


Figure 20: Tshwane Vision 2055, Outcomes 4 to 6

1 CONTEXTUALISING THE SCORECARDS

It is important to note that the targets contained in the scorecards are not the Municipality's only service delivery targets. However, the IDP and SDBIP scorecards, in particular, elevated specific areas of commitment that the Council and Mayoral Committee wished to place emphasis on for the financial year. The performance against the scorecards must be contextualised against the performance of the City as a whole on areas not reduced to indicators as reported in the rest of the annual report, and on matters that have been reported to the Council and the public during the financial year.

Furthermore, several targets on the scorecards, especially in SO1, some in SO3 and SO6, are influenced by capital expenditure processes and are sometimes the result of the implementation of multi-year, multimillion-rand projects. Therefore, a target reflecting "not achieved" is not zero performance (unless it is reported zero), but incomplete achievement of the planned target due to constraints that may have emerged during the financial year that impacted on the project delivery timelines. Therefore, for example, when it is reported that zero libraries were delivered, it does not mean that no work was done. In the particular case of a planned library, for example, the Cullinan Library project was delayed, and was at 52% progress by the end of the financial year.

THE AUDIT OF PREDETERMINED OBJECTIVES AND THE CITY OF TSHWANE'S PERFORMANCE MANAGEMENT PROCESSES

Performance management practices in the City of Tshwane have evolved over the past three financial years. The City has been cognisant of the national drive towards clean audit outcomes, and has put measures in place to consistently mature performance planning and reporting processes. As indicated in the Council-approved Performance Management Framework, numerous further initiatives will be implemented over time to continuously improve performance management in the City.

2 SUMMARY OF PERFORMANCE FOR THE 2015/16 FINANCIAL YEAR

To implement the Tshwane Vision 2055 during the current Council term, the 2014/15 IDP aligned the strategic objectives as approved by the Council in 2011, and amended through the 2013/14 IDP review, with the outcomes of Tshwane Vision 2055. The strategic objectives for the term are the following:

- SO 1: Providing sustainable services infrastructure and human settlements
- SO 2: Promoting shared economic growth
- SO 3: Ensuring sustainable, safer communities and integrated social development
- SO 4: Promoting good governance and active citizens
- SO 5: Improving financial sustainability
- SO 6: Continuing institutional development, transformation and innovation.

A total of 29 of the SDBIP targets were realised, resulting in a 74,36% performance for the financial year. A total of 17 of the 24 applicable IDP targets were achieved (70,83%).

3 DETAILED SCORECARDS: PERFORMANCE OF THE CITY OF TSHWANE FOR THE 2015/16 FINANCIAL YEAR

PERFORMANCE ON THE IDP OUTCOMES/TARGETS

Several of the original five-year targets set in 2011 were changed during the IDP annual review processes. For the year under review the IDP had 24 targets. 17 targets were achieved (70,83%).

* Denotes under-achieved targets

Table 40: Performance on IDP targets

Strategic objective	Outcome indicator	Target 2015/16	Actual 2015/16
SO 1: Providing sustainable services infrastructure and human settlements	Percentage of households with access to water (metered connections)	81,2%	81,24%
SO 1: Providing sustainable services infrastructure and human settlements	Percentage of total households in formalised areas with access to weekly waste removal services	100%	100%
SO 1: Providing sustainable services infrastructure and human settlements	Percentage of households with access to sanitation	78,57%	78,633%
SO 1: Providing sustainable services infrastructure and human settlements	Percentage of households with access to electricity	80,43%	80,315%*
SO 1: Providing sustainable services infrastructure and human settlements	Percentage of required municipal storm water drainage networks provided	51,24%	51,590%

Strategic objective	Outcome indicator	Target 2015/16	Actual 2015/16
SO 1: Providing sustainable services infrastructure and human settlements	Percentage of roads provided to the required standard (km)	31,73%	32,315%
SO 1: Providing sustainable services infrastructure and human settlements	Percentage of completed TRT busway lanes constructed	52,12%	44,20%*
SO 1: Providing sustainable services infrastructure and human settlements	Percentage of informal settlements with access to rudimentary water services	100%	100%
SO 1: Providing sustainable services infrastructure and human settlements	Percentage of informal settlements with access to sanitation services	100%	100%
SO 1: Providing sustainable services infrastructure and human settlements	Number of informal settlements formalised	21	22
SO 1: Providing sustainable services infrastructure and human settlements	Number of planned community residential units developed (annual)	319	438
SO 2: Promoting shared economic growth	Number of new income-earning opportunities facilitated by the City	182 328	152 697*
SO 2: Promoting shared economic growth	Rand value of investment attracted to the City (annual)	R12,29 billion	R12,539 billion
SO 2: Promoting shared economic growth	Number of SMMEs and entrepreneurs supported by the City	23 821	25 661
SO 3: Ensuring sustainable, safer communities and integrated social development	Percentage of the achievement of the Child Health Index	87%	95%
SO 3: Ensuring sustainable, safer communities and integrated social development	Number of indigent households supported by the City through its social packages	114 490	110 863*

Strategic objective	Outcome indicator	Target 2015/16	Actual 2015/16
SO 3: Ensuring sustainable, safer communities and integrated social development	Percentage of reduction in backlog of recreational facilities and amenities (annual)	76,92%	53,85%*
SO 3: Ensuring sustainable, safer communities and integrated social development	Number of parks developed in line with the Two Parks per Ward programme (annual)	86	91
SO 3: Ensuring sustainable, safer communities and integrated social development	Percentage of reduction in safety incidents (annual)	5%	33,36%
SO 3: Ensuring sustainable, safer communities and integrated social development	Percentage of increase in interventions to root out crime and related incidents (annual)	3%	25,88%
SO 4: Promoting good governance and active citizens	Unqualified audit opinion achieved (annual)	Unqualified audit opinion	Unqualified audit opinion
SO 5: Improving financial sustainability	Percentage of financial targets met (regulated targets = cost coverage, debt coverage and percentage of service debtors to revenue)	100%	66,67%*
SO 5: Improving financial sustainability	Percentage of reduction of non-revenue water (NRW)	25,06%	23,83%
SO 5: Improving financial sustainability	Percentage of average annual non-revenue energy (NRE) (annual)	10%	19,28%*
SO 6: Continuing institutional development, transformation and innovation	Percentage of employee satisfaction rating (annual)	Not available	Not available

PERFORMANCE ON SDBIP OUTPUTS

The 2015/16 corporate-level SDBIP had 39 targets; 29 (74,36%) targets were achieved.

Areas of underperformance were:

- Electrification of houses to eradicate backlogs
- Households in formal areas receiving weekly kerbside waste removal
- TRT busway lanes constructed
- New income-earning opportunities facilitated by the City
- Immunisation coverage for children under one year
- New registration of indigent households
- Number of recreational facilities upgraded
- Cost coverage ratio
- Non-revenue electricity
- Percentage of employees from previously disadvantaged groups appointed as per the approved EE plan

Areas of achievement beyond planned targets were:

- Informal settlements with access to water
- Households provided with full water meter connections
- Households provided with a sanitation service
- Electricity connections in formalised areas
- Informal settlements with access to sanitation services
- Length of roads and storm water in proclaimed areas that meet the full level of service
- Informal settlements formalised
- Rand value of investments facilitated by the City
- Percentage of pregnant women testing for HIV
- Road policing operations executed
- Crime prevention operations executed
- Multi-disciplinary by-law policing operations executed
- Exit of indigents from the indigent register
- Parks developed in line with the Two Parks per Ward programme
- Fire, rescue, specialised and humanitarian incidents reported
- New Wi-Fi sites deployed

RELIABILITY AND USEFULNESS OF THE SDBIP PLANS AND TARGETS

During the planning of the IDP, budget and SDBIP, usefulness of plans is an important consideration. This is tested and ensured in many ways, including the following:

- Departments develop indicator descriptions which outline the systems put in place to measure the achievement of the targets
- The targets are developed on the basis of available budgets as per budget guidelines, and these are cross-examined by the Budget Steering Committee
- The project plans to deliver the targets are assessed through the capital budget prioritisation process
- Internal Audit reviews the plans and identifies usefulness concerns

The reliability of reported results is an important consideration during the monitoring of implementation. Measures have been put in place to test the reliability of reporting and include the following:

- All reported results are required to be reviewed internally and must be supported by listings and evidence on a quarterly basis
- The reported results are audited by Internal Audit and tested by CSPM
- Performance results and concerns are monitored by the Audit and Performance Committee (APC), the Management Letter Action Plan (MLAP) committee and the Mayoral Committee
- Annual verification and audit measures are put in place to supplement quarterly verification and audit measures to ensure that all closure periods are taken into consideration when the final results are presented
- The audited results are presented at the Audit and Performance Committee and senior management before submission to the AG for external audit.

Therefore, results presented in this report have been subjected to internal assurance processes. Each head of department is accountable for the performance of their department and for the reliability of reported results.

* Denotes under-achieved targets

Table 41: Performance on SDBIP targets

Indicator number	Strategic objective	Indicator owner	Key Performance Indicator	Annual target 2015/16	Annual result 2015/16	Annual target 2014/15	Annual result 2014/15
1.1.2.1	SO 1: Providing sustainable services infrastructure and human settlements	Re Aga Tshwane	Number of informal settlements with access to rudimentary water services	124	128	115	50*
1.1.2.2		Water and Sanitation	Number of households provided with full water meter connections	4 360	4 502	12 103	9 358*
1.1.2.3		Water and Sanitation	Number of households provided with a sanitation service	1 874	2 370	1 912	2 072
1.1.2.4	SO 1: Providing sustainable services infrastructure and human settlements	Energy and Electricity	Number of electricity connections provided in formalised areas	2 400	2 421	2 200	2 216
1.1.2.6		Energy and Electricity	Number of completed houses electrified to eradicate backlogs	4 200	3 056*	15 000	9 152*
1.1.2.9		Re Aga Tshwane	Number of informal settlements with access to rudimentary sanitation services	45	59	45	49
1.1.4.1		Service Delivery Coordination and Transformation	Number of informal settlements provided with weekly minimal waste removal services	124	134	115	124
1.1.4.2		Service Delivery Coordination and Transformation	Number of households with access to weekly kerbside removal	701 852	436 021*	701 852	731 342

Indicator number	Strategic objective	Indicator owner	Key Performance Indicator	Annual target 2015/16	Annual result 2015/16	Annual target 2014/15	Annual result 2014/15
1.4.1.1		Roads and Transport (TRT)	TRT busway lanes constructed (km)	5,65	2,96*	11,3	12,07
1.4.1.6	SO 1: Providing sustainable services infrastructure and human settlements	Roads and Transport	Total length of roads in proclaimed areas provided to the full level of service (km)	25	37,863	58,7	62,452
1.5.1.3		Roads and Transport	Total length of storm water drainage systems in proclaimed areas provided to the full level of service (km)	32	36,464	37,6	37,761
1.9.1.4		Re Aga Tshwane	Number of informal settlements/townships formalised	5	6	10	16
1.9.1.5		Housing and Human Settlement	Number of community residential units developed	30	30	30	48
2.1.1.1	SO 2: Promoting shared economic growth	Economic Development	Number of new income-earning opportunities facilitated by the City	60 000	30 369*	41 500	44 516
2.1.1.3		Economic Development	Rand value of investments facilitated by the City	2 billion	2,25 billion	1,8 billion	2,1 billion
2.1.4.1		Economic Development	Support through mentorship/training to the Tshepo 10 000 cooperatives in 105 wards	240 cooperatives	282 cooperatives	264 cooperatives	325 cooperatives
2.2.1.1		Economic Development	Number of SMMEs and entrepreneurs supported by the City	4 500	5 138	3 800	5 649

Indicator number	Strategic objective	Indicator owner	Key Performance Indicator	Annual target 2015/16	Annual result 2015/16	Annual target 2014/15	Annual result 2014/15
3.1.1.2	SO 3: Ensuring sustainable, safer communities and integrated social development	Health and Social Development	Percentage of PHC fixed clinics implementing the PMTCT programme	100%	100%	100%	100%
3.1.2.1		Health and Social Development	Percentage of achievement of immunisation coverage for children under one year	85%	64,464%*	85%	75,742%
3.1.2.3		Health and Social Development	Percentage of pregnant women testing for HIV	91%	98,845%	91%	99,783%
3.2.1.1		Health and Social Development (taken over by ROC during the year)	Number of new indigent households registered by the City in the City's indigent register	6 000	3 054*	8 000	7 769*
3.2.1.2		Health and Social Development (taken over by ROC during the year)	Number of indigent households exited from the indigent register	2 000	2 681	2 000	2 435
3.3.1.1		Sport and Recreational Services	Number of new libraries constructed (annual)	1	1	1	0*
3.3.1.2		Environmental Management Services	Number of parks developed in line with the Two parks per Ward programme (annual)	23	28	12	13

Indicator number	Strategic objective	Indicator owner	Key Performance Indicator	Annual target 2015/16	Annual result 2015/16	Annual target 2014/15	Annual result 2014/15
3.3.1.3	SO 3: Ensuring sustainable, safer communities and integrated social development	Sport and Recreational Services	Number of new recreational facilities upgraded (annual)	3	2*	2	0*
3.4.1.1.1		Emergency Services	Number of fire incidents reported	4 687	3 691	<4 734	4 116
3.4.1.1.2		Emergency Services	Number of rescue incidents reported	7 972	5 457	<8 052	5 810
3.4.1.1.3		Emergency Services	Number of specialised humanitarian incidents reported	1 029	444	<1 040	485
3.4.1.2		Tshwane Metro Police	Number of road policing operations/interventions executed to comply with the road safety plan (road policing)	732	1 344	736	1 220
3.4.1.3		Tshwane Metro Police	Number of crime intervention operations executed to contribute to a reduction of crime throughout Tshwane (in all 105 wards)	1 440	1 800	1 496	1 659
3.4.1.4	SO 3: Ensuring sustainable, safer communities and integrated social development	Tshwane Metro Police	Number of regional multi-disciplinary by-law policing operations executed to contribute to a reduction in by-law transgressions	468	562	460	567

Indicator number	Strategic objective	Indicator owner	Key Performance Indicator	Annual target 2015/16	Annual result 2015/16	Annual target 2014/15	Annual result 2014/15
4.6.1.3	SO 4: Promoting good governance and active citizens	Office of the City Manager	Unqualified audit achieved (annual)	Unqualified audit opinion	Unqualified audit opinion	Unqualified audit opinion	Unqualified audit opinion
5.1.1.1	SO 5: Improving financial sustainability	Group Financial Services	Percentage of cost coverage ratio	1%	0,50% (CoT)* 0,51% (Group) *	1,1%	0,1% (Group)*
5.1.1.2	SO 5: Improving financial sustainability	Group Financial Services	Percentage of debt coverage	15%	35,44% (CoT) 35,35% (Group)	15%	16,51%
5.1.1.3	SO 5: Improving financial sustainability	Group Financial Services	Percentage of service debtors to revenue	25%	16,32% (CoT) 16,86% (Group)	25%	20,62%
5.1.1.5	SO 5: Improving financial sustainability	Water and Sanitation	Percentage of reduction in non-revenue water from 24,05% to 23,55% (0,5% annual reduction)	25,06%	23,83%	23,55%	23,33%
5.1.1.4	SO 5: Improving financial sustainability	Energy and Electricity	Percentage of average annual non-revenue energy	10%	19,28%*	10%	16,05%*
6.1.1.3	SO 6: Continuing institutional development, transformation and innovation	Corporate and Shared Services	Percentage of employees from previously disadvantaged groups appointed as per the approved EE plan (annual)	100%	62%*	100%	102%
6.2.1.3	SO 6: Continuing institutional	Group ICT	Number of new Wi-Fi sites identified and deployed	96	128	537	402*

Indicator number	Strategic objective	Indicator owner	Key Performance Indicator	Annual target 2015/16	Annual result 2015/16	Annual target 2014/15	Annual result 2014/15
	development, transformation and innovation						

REMEDIAL ACTIONS FOR UNACHIEVED SDBIP TARGETS

Table 42: Remedial actions

Indicator number	Strategic objective	Indicator owner	Key Performance Indicator	Remedial action
1.1.2.6	SO 1: Providing sustainable services infrastructure and human settlements	Energy and Electricity	Number of completed houses electrified to eradicate backlogs	The electrification connections are only regarded as complete once an electricity meter is installed and switched on. The department has experienced challenges, such as the unavailability of prepaid electricity meters, which negatively affected the performance of the electrification programme. Alternate procurement processes and suppliers are being assessed to prevent this from recurring.
1.1.4.2		Service Delivery Coordination and Transformation	Number of households with access to weekly kerbside removal	<p>The underperformance is due to the reliance placed on the finance system for accurate and scientifically validated data on the number of households within Tshwane. Owing to the findings raised by AGSA in the prior financial year, the decision was taken to only report results which are verifiable by the City's system, which has passed prior audits. Service delivery against such figures will then be verified via the monitoring sheets for areas/locations serviced.</p> <p>The KPI has been amended for the 2016/17 SDBIP to focus on core service delivery to the various areas within Tshwane. This will result in service delivery at a level where control is with the City, as the direct services per household cannot be confirmed due to reliance on the customer placing their waste on the kerbside.</p>
1.4.1.1		Roads and Transport (TRT)	TRT busway lanes constructed (km)	Around December 2014, the procurement process was put on hold until March 2015. Furthermore, the Council resolved on 28 May 2015 that, where the public road already has two lanes per direction, one lane per

Indicator number	Strategic objective	Indicator owner	Key Performance Indicator	Remedial action
				direction will be expropriated and used exclusively by the Bus Rapid Transport (BRT) system. This was not in line with the designs that were ready to be implemented. There was a recourse to go back to the drawing table to redesign in line with the new Council resolution and, in doing so, other factors, such as mitigations that were raised prior to the issue of the resolution, had to be revisited. This was handled through public participation with affected communities and interested parties. In this process, there was a requirement to do a full Traffic Impact Study (TIS) to foresee the impact this resolution could have on motorists and the local road network.
2.1.1.1	SO 2: Promoting shared economic growth	Economic Development	Number of new income-earning opportunities facilitated by the City	<p>The KPI resides with Economic Development, although projects are implemented citywide. Economic Development monitors the implementation of Expanded Public Works Programme (EPWP) projects which are conducted with the assistance of various departments. The non-achievement can be attested to revision of plans and implementation processes surrounding projects, which resulted in a reduced number of opportunities. Such is an inherent limitation relating to projects.</p> <p>The City will attempt to redress this moving forward by ensuring that limitations, which may be unforeseeable in terms of projects, will be factored in for planning of performance.</p>
3.1.2.1	SO 3: Ensuring sustainable, safer communities and	Health and Social Development	Percentage of achievement of immunisation coverage for children under one year of age	Due to the nature of service provision for this KPI, it is dependent on the patient being brought to the facility for treatment. It is not within the control of the City to ensure that patients return to the relevant facility according to the requirements of the programme.

Indicator number	Strategic objective	Indicator owner	Key Performance Indicator	Remedial action
	integrated social development			Awareness campaigns conducted by the province and consultations at the various facilities will attempt to convey the importance of completion of such programmes at facilities.
3.2.1.1		Health and Social Development (taken over by ROC during the year)	Number of new indigent households registered by the City in the City's indigent register	<p>The registration process is dependent on potential indigent consumers applying for registration on the indigent system, hence prior results are used as a baseline for targets. This is not entirely within the control of the City, however.</p> <p>Electronic system(s) have been implemented whereby the registration process can be initiated at the location of the potential indigents, affording them the opportunity to be considered. The electronic system will work in tandem with the current paper-based application process. The City also utilises various platforms, such as events, to inform the public of social assistance to encourage those in dire and qualifying conditions to register for the benefits. Other mechanisms will be considered to encourage the public to apply, where the relevant criteria is met.</p>
3.3.1.3	SO 3: Ensuring sustainable, safer communities and integrated social development	Sport and Recreational Services	Number of new recreational facilities upgraded (annual)	The non-performance resulted from a contractor dispute. The City is in the process of appointing a new contractor.
5.1.1.1	SO 5: Improving financial sustainability	Group Financial Services	Percentage of cost coverage ratio	There has been improvement since the previous year due to a sinking fund investment. However, cash balances are still too low compared to the fixed monthly operational expenditure.

Indicator number	Strategic objective	Indicator owner	Key Performance Indicator	Remedial action
				The payment ratio of debtors must be improved to have cash available for investment. Monthly fixed expenditure needs to be prudently monitored.
5.1.1.4	SO 5: Improving financial sustainability	Energy and Electricity	Percentage of average non-revenue energy (annual)	<p>The KPI was not achieved due to the following, for which interventions are being developed and finalised:</p> <ul style="list-style-type: none"> • Illegal electricity operations • Audit of metering installations • Normalisation of prepaid meters • Rollout of smart meters • Installation of prepaid meters before energisation of the electrical infrastructure • Redesign of electrical network installation • Monitoring of substation zone load: Energy balancing • Electrification of informal settlements • Refurbishment of electricity infrastructure
6.1.1.3	SO 6: Continuing institutional development, transformation and innovation	Corporate and Shared Services	Percentage of employees from previously disadvantaged groups appointed as per the approved EE plan (annual)	<p>The KPI was not achieved due to the misalignment of individual departments' EE plans against the developed organisational plan. In some instances, a plan was not created by specific departments.</p> <p>The calculation utilised by AGSA, as received by management, will be implemented for the prospective calculation of performance regarding the KPI. EE plans will be required of all departments so that alignment and an adequate calculation of adherence to such may be performed.</p>

J MUNICIPAL ENTITIES

INTRODUCTION

Municipal entities are separate legal entities headed by a board of directors and utilised by a municipality to deliver services to its community. They are accountable to the municipality. The City is serviced by three municipal entities which must perform per service delivery agreements and performance objectives set by the Municipality.

The three municipal entities servicing the City are the Housing Company Tshwane (HCT), Sandspruit Works Association (SWA) and the Tshwane Economic Development Agency (TEDA). Each municipal entity has a multi-year business plan that is approved by the Council.

The table below lists the municipal entities of the City of Tshwane and their Chief Executive Officers.

Table 43: CEOs of the municipal entities

Municipal entity	CEO
Housing Company Tshwane (HCT)	Anthony T Ngcezula
Sandspruit Works Association (SWA)	Zimasa Sociwa (Acting CEO - resigned)
Tshwane Economic Development Agency (TEDA)	Solly Mogaladi

The performance and operations of the three municipal entities is monitored by the Shareholder Unit in the Office of the Executive Mayor. The Shareholder Unit (SHU) is tasked with reviewing, monitoring and “overseeing” the affairs, practices, activities, behaviour and conduct of the municipal entities to satisfy the City of Tshwane that the municipal entities’ affairs and businesses are being conducted in the manner expected and in accordance with the normal commercial, legislative and other prescribed or agreed norms.

Through enterprise governance, the SHU ensures that the entire accountability framework of the municipal entities is monitored through both dimensions of the enterprise governance, ie conformance and performance, which needs to be balanced.

The SHU ensures that proper governance structures and processes are strengthened in the entities through the following:

- Attaining a clean audit – managing the process of addressing all the matters/issues that have been raised by the Auditor General
- Contributing to Tshwane Vision 2055
- Ensuring entities’ internal control processes and proper reporting

- Enhancing leadership and creating stability in the entities through capacitation of the boards, executive directors and executive management
- Inducting the Board (new non-executive directors)
- Evaluating or assessing the Board (performance of the board)
- Convening the annual general meeting (shareholders meeting)
- Ensuring entities' financial suitability
- Reviewing existing policies pertaining to entities (remuneration, governance of municipal entities, etc)
- Reviewing Service Delivery Agreements (SDA) and shareholder compacts

1 HOUSING COMPANY TSHWANE

INTRODUCTION

Housing Company Tshwane (HCT) is a municipal entity of the City of Tshwane. The City established the entity as a vehicle to develop and manage social housing and other forms of institutional housing in and around Tshwane. Therefore, the mandate of HCT consists of the following:

- Developing, owning and managing affordable rental housing opportunities close to employment nodes, transport nodes, social amenities and related public services for households earning between R3 500 and R7 500 per month (as revised by the National Department of Human Settlements from time to time)
- Providing rental housing accommodation for people who do not qualify for subsidies and are unable to participate in the formal, non-subsidised housing market
- Providing property management and turnaround services for low to medium-density social or rental accommodation
- Managing all rental stock owned by the City of Tshwane

The vision of HCT is:

To be a social housing provider of choice in the City of Tshwane.

CORPORATE GOVERNANCE

The HCT Board of Directors is as stipulated in the King Code III and the Code of Conduct for Directors referred to in section 93L of the Municipal Systems Act, 2000, as amended. The company's governance structure for 2015/16 has been sound, with four regular board meetings, one annual general meeting, 27 committee meetings, and one joint-meeting with shareholders scheduled and concluded successfully.

The increased number of subcommittee meetings has mainly been due to the recruitment process of senior staff members, ie Company Secretary and Chief Executive Officer. The board's human resources committee performs the shortlisting and the interview process, as well as other functions relating to other specific committees, and

as a result of company performance monitoring, including the review and approval of a number of company policies, must comply with the Social Housing Regulatory Authority (SHRA) and other requirements.

Company policies and operational procedures were duly reviewed and some established and approved for implementation by management. However, limited human resources continued to undermine the company's ability to comply with, *inter alia*, certain provisions of the Companies Act and the Municipal Finance Management Act (MFMA).

BOARD OF DIRECTORS

Table 44: HCT Board of Directors

Board member	Capacity: Executive/Non-executive	Race	Gender	Board committee membership
Mr TS Phetla	Board chairperson	Black	Male	None
Adv EM Mphahlele	Board member	Black	Male	Projects and Development Committee Human Resources Committee
Adv TS Kholong	Board member	Black	Male	Finance, Risk and Ethics Committee Projects and Development Committee
Adv A Singh	Board member	Indian	Male	Projects and Development Committee
Dr W Rowland	Board member	White	Male	Human Resources Committee
Dr M Matlou	Board member	Black	Male	Human Resources Committee Finance, Risk and Ethics Committee
Ms NN Mbiza	Board member	Black	Female	Projects and Development Committee
Ms DM Masilela	Board member	Black	Female	Finance, Risk and Ethics Committee

ENTITY'S SUPPLY CHAIN PROCESSES AND PROCEDURES

Entity supply chain processes followed

HCT has developed a new Supply Chain Policy that is aligned with the provisions of the MFMA and the National Treasury: Municipal Supply Chain Management Regulations, 2005, during the current financial year and the policy was approved by the Board. The entity's SCM policy provides for the exclusion of awards to persons in the service of the state, subject to the exemptions and regulations issued by National Treasury from time to time.

The entity has started implementing bidding processes with separate bid specification, bid evaluation and bid adjudication committees having been set up.

Table 45: HCT supply chain management committees

Supply Chain Management Committee	Guidelines	Functions and purpose of the committee	Number of meetings targeted	Actual	Reasons	Intervention/ Action taken
Bid Specification Committee (BSC)	Municipal Finance Management Act Board Terms of Reference	Consideration and approval of the project's scope of work for upcoming tender/bid	8	Consideration of bid specification for: 1. Pre-construction services in Townlands at Marabastad 2. Reconstruction services in Timberlands at Arcadia 3. Provision of legal services 4. Professional services consultants 5. Project management consultants 6. Development of a City of Tshwane rental strategy 7. Tenant satisfaction survey 8. Provision of building audit	All eight bid specifications were considered and approval	None
Bid Evaluation Committee (BEC)	Municipal Finance Management Act Board Terms of Reference	Bid evaluation	4	1. Pre-construction services in Townlands at Marabastad 2. Reconstruction services in	The BEC evaluated three tenders and one tender was referred back	To resolve all the issues raised by the BAC

Supply Chain Management Committee	Guidelines	Functions and purpose of the committee	Number of meetings targeted	Actual	Reasons	Intervention/ Action taken
				Timberlands at Arcadia 3. Provision of legal services 4. Professional services consultants	by the BAC to the BEC	
Bid Adjudication Committee (BAC)	Municipal Finance Management Act Board Terms of Reference	Considers the evaluation report from the BEC	4	1. Pre-construction services in Townlands at Marabastad 2. Reconstruction services in Timberlands at Arcadia 3. Provision of legal services	Three tenders were approved by the BAC	To resolve all the issues raised by the BAC for the tender professional services consultants To be presented to the BAC for approval

The Board has ensured that the procurement policy embraces the objectives of broad-based Black Economic Empowerment and the CEO, as the accounting officer of HCT, was tasked as the custodian for effective implementation. The capital projects implemented during this period served as valuable foundations for ensuring community participation in our BEE programmes. This pace will be enhanced and the company will continue to be sensitive to the financial constraints facing emerging black businesses.

HCT has made several quotation-based awards for property maintenance and management projects that the entity undertakes from time to time. HCT is committed to the development of BEE SMMEs. No unsolicited bids were made by the company in the period under review.

In instances where there are deviations from the supply chain processes, irregular, wasteful and fruitless expenditure management report these to the Board. Consequence management was implemented during this financial year where investigations were conducted by the Board's FINRISK committee and money will be recovered from the employees responsible.

HCT SCORECARD

Strategic objectives	Key Performance Area (KPA)	Key Performance Indicator (KPI)	Baseline	Annual target				
				Project name	2015/16 Target	2015/16 Budget	2015/16 Actual	Measures to correct non-achievement of targets
SO 1: Provision of new social housing units on a sustainable basis	Construction of social housing units	Installed engineering services	0	Townlands	Installed engineering services	R4 900 000	Not achieved The cost breakdown for the sewer rerouting has been finalised and the contractor is waiting for approval of way leave	Interventions have been sought from the City of Tshwane's Housing Department to expedite the way leave approval from affected departments so that the contractor can start work on site
	Construction of social housing units	Planning phase completed	0	Timberland	Planning phase completed	R4 210 000	Not achieved The scope of work in terms of the density of the building has been reduced from 25 to 16 storeys	The scope of work has been finalised and the bulk services investigations will commence
	Occupancy level in units under management	Percentage of all units occupied	95%	Eloff	95%	R490 000	Achieved 99,6%	
			80%	Clarina	99%	R490 000	Not achieved	Engagement with the City of Tshwane to fast track the vetting process and

Strategic objectives	Key Performance Area (KPA)	Key Performance Indicator (KPI)	Baseline	Annual target				
				Project name	2015/16 Target	2015/16 Budget	2015/16 Actual	Measures to correct non-achievement of targets
SO 2: Effective and efficient management of HCT and social housing portfolio							88% Delay from the City of Tshwane to finalise the vetting process and recommend tenant allocation to HCT	recommend tenant allocation. Currently the City has recommended only three tenants for allocation and 17 are still not occupied
	Turnaround in resolving tenant complaints	Percentage of complaints resolved	80%	Eloff and Clarina	80%	R980 000	Achieved 96%	
	Development of BEEs and SMMEs	Percentage of total expenditure to be spent on BEE and SMME procurement	25%		70%	R11 643 887	Achieved 88%	
	Manage budget processes of the entity in accordance with	Budget management and implementation	New (percentage of budget spent)		100%	R212 474	Not achieved 77% The spending was placed on hold due to	Engagement with the City's budget office to communicate the approved budget to entities

Strategic objectives	Key Performance Area (KPA)	Key Performance Indicator (KPI)	Baseline	Annual target				
				Project name	2015/16 Target	2015/16 Budget	2015/16 Actual	Measures to correct non-achievement of targets
SO 3: Strive for financial sustainability by 2017	regulatory frameworks						HCT's adjustment budget that was reduced by the City of Tshwane's budget office	
	Rent collection	Increase rent collection rate of billed units by 5,5%	94%	New (Eloff)	99,5%	R2 785 588	Achieved 103,95%	
	Levies collection	Increase levies collection of billed units by 8%	46%	New (Clarina)	54%	R319 298	Not achieved 43,4% Levies collection measures not stringent and tenant education sparse	Management to hold tenant meetings and send newsletters to educate tenants on the importance of paying their rent. The legal service provider has been appointed to deal with the eviction process of non-paying tenants and a client service office has been set up in Clarina.
	Maintaining entity asset liquidity to an acceptable level	Achieve liquidity ratio of 1:1	New		Liquidity ratio of 1:1	R350 000	Achieved Liquidity ratio of 1,32:1	

Strategic objectives	Key Performance Area (KPA)	Key Performance Indicator (KPI)	Baseline	Annual target				
				Project name	2015/16 Target	2015/16 Budget	2015/16 Actual	Measures to correct non-achievement of targets
SO 4: Promote and practice sound governance	Review of internal governance structures and processes	Annual entity strategic review and approval			Review	R374 155	Achieved The strategic document was reviewed and approved by the Board during the first quarter	
		Policy review and approval, ie Supply Chain, Delegations of Authority, Human Resources, Marketing and Communication, Management, and Financial and Internal control			Review	R551 380	Achieved Policies were reviewed and approved by the Board during the first quarter	

2 SANDSPRUIT WORKS ASSOCIATION (SWA)

Sandspruit Works Association (SWA) is a registered Section 21 non-profit company. It provides water and sanitation services in the northern region of Tshwane and thus has the function of a water services provider in terms of the Water Services Act, 1997 (Act 108 of 1997). The supply area of Sandspruit Works Association includes Ga-Rankuwa, Mabopane and Winterveld. The principal activity of the company is to develop, prepare, install and maintain water and sanitation services, as well as related services to these areas. It also fulfils complete operational, financial, marketing, human resources and legal functions.

The vision of SWA is:

To become the preferred water service provider that innovatively meets the water services provision challenges and needs of all its customers in a financially sustainable manner.

CORPORATE GOVERNANCE

The SWA Board of Directors provides effective leadership based on a principled foundation and the entity subscribes to high ethical standards. Responsible leadership, characterised by the values of responsibility, accountability, fairness and transparency, has been SWA's defining characteristic since the company's establishment in 1999.

The fundamental objective has always been to do business ethically while building a sustainable company that recognises the short and long-term impact of its activities on the economy, society and the environment. In its deliberations, decisions and actions, the board is sensitive to the legitimate interests and expectations of the company's stakeholders.

SWA applies the governance principles contained in the King Report for Corporate Governance for South Africa, 2009 (King III), and continues to further entrench and strengthen recommended practices in our governance structures, systems, processes and procedures. The Board of Directors and Executives recognise and are committed to the principles of openness, integrity and accountability advocated by the King III. Through this process, shareholders and other stakeholders may derive assurance that SWA is being ethically managed according to prudently determined risk parameters in compliance with generally accepted corporate practices. Monitoring SWA's compliance with King III forms part of the mandate of the audit committee. The entity has complied with the Code in all respects during the year under review.

The Board of Directors has incorporated the City of Tshwane's Corporate Governance Protocol in its Board Charter, which, *inter alia*, regulates its relationship with the City of Tshwane as its sole member and parent municipality in the interest of good corporate governance and good ethics.

The Protocol is premised on the principles enunciated in the King III. SWA steadfastly consolidated its position in respect of adherence to the King III report on corporate governance. The entity practices are, in most material instances, in line with the principles set out in the King III Report. Ongoing steps are however taken to align practices with the report's recommendations and the Board continually reviews our progress to ensure that we improve our corporate governance. During the year under review, SWA entrenched its risk management reviews, and reporting and compliance assessments were conducted in terms of the Companies Act and the Municipal Finance Management Act (MFMA). The annual report for the previous year was effectively completed in accordance with the terms of section 121 of the Municipal Finance Management Act.

The SWA Board of Directors is as stipulated in the King Code III and the Code of Conduct for Directors referred to in section 93L of the Municipal Systems Act, 2000.

Table 46: SWA Board of Directors

Board member	Capacity: Executive/Non-executive	Race	Gender	Designation
Adv K-D Garlipp	Non-executive	White	Male	-
CV Maboka	Non-executive	Black	Male	GRF Subcommittee chairperson
LN Bokaba	Non-executive	Black	Male	Operations Subcommittee chairperson
TL Moromane	Non-executive	Black	Female	-
Adv B Malatji	Non-executive	Black	Male	Social and Ethics Subcommittee chairperson
Z Kabini	Non-executive	Black	Female	Chairperson of Board
Z Ndlala	Non-executive	Black	Male	HR-RemCo chairperson
MJ Taetsane	Executive Director	Black	Male	-

Board member	Capacity: Executive/Non-executive	Race	Gender	Designation
L Mangcu	Executive Director	Black	Male	Acting Chief Executive Officer (from 1 February 2015 to 14 November 2015)
S Gramoney	Executive Director	Indian	Female	Acting Chief Executive Officer (from 16 November 2015 to 27 November 2015)
Z Socikwa	Executive Director	Black	Female	Acting Chief Executive Officer (Acting from 3 December 2015 to 31 July 2016)

SWA HIGHLIGHTS

ARBOR DAY CELEBRATIONS

SWA joined hands with Morula Casino, Councillors and community representatives to visit Mahlwareng Primary School in Winterveld in celebration of Arbor Day. The day was commemorated by planting trees and teaching learners more about trees and the role that they play to fully appreciate their place in our environment. In addition, we created awareness of saving water by providing the learners with water savings tips to minimise unnecessary usage of water.

CUSTOMER SURVEY

A customer survey was undertaken in the MAWIGA areas to establish customer satisfaction levels regarding SWA service from March 2016 to May 2016. The purpose of the survey was to establish the following:

- Communication levels between SWA and MAWIGA customers
- Professionalism
- Service delivery
- Satisfaction level

The customer survey was aimed at improving the services that are rendered by SWA in MAWIGA.

SANITATION WEEK – 2016

SWA, together with Rand Water (Sanitation Project), and the City of Tshwane Water and Sanitation Department, celebrated Sanitation Week with its communities in Winterveld. The main objective of Sanitation Week is to raise awareness about the public profile of sanitation, and to encourage local government to prioritise sanitation, health and hygiene as key issues for a healthy nation. The National Department of Water and Sanitation declared May as Sanitation and Hygiene month.

SWA, together with the different stakeholders (community development workers, Rand Water health promoters, the City of Tshwane Water and Sanitation Department, as well as the SWA stakeholder team) went to different sides of the area, imparting knowledge and understanding to clients at their doorsteps. The event was held at the Mpho Area sport ground in May 2016.

Customers were advised not to do the following:

- Flushing oil down the drain

- Flushing sanitary napkins
- Flushing soil down the drain

SWA SUPPLY CHAIN PROCESSES AND PROCEDURES

In terms of the Constitution, the procurement of goods and services must be done in accordance with a system that is fair, equitable, transparent, competitive and cost-effective.

SWA has developed and implemented a Supply Chain Management Policy which is aligned to the City of Tshwane's policy and approved by its Board of Directors. The Supply Chain Management Policy sets out ethical and sound procurement practices to be followed by all staff involved in procuring goods and services, and to ensure value for money.

The practices in the policy are based upon and supplement the General Procurement Guidelines issued by the Minister of Finance and are to apply to purchases of goods, services, consultancies, specialised equipment, etc. The development and implementation of the policy document therefore represents a significant milestone towards facilitating the SWA's contribution towards the development and promotion of emerging and previously marginalised service providers/suppliers, as well as provide a framework that satisfies the constitutional requirements of transparency and accountability. This policy document will be subjected to changes/amendments, as new SCM prescripts are introduced/put in place.

The SCM unit was established in September 2005 and monitors the implementation of the entity's SCM policies in line with regulations which seek to modernise financial governance and improve accountability and transparency in the entity's processes. SWA's SCM policies provide for the exclusion of awards to persons in the service of the state, subject to the exemptions and regulations issued by the National Treasury from time to time. One of the challenges in SCM is that the position of the SCM Manager remained vacant for almost two years. The manager has been appointed and she assumed employment on 1 July 2015. Even though the SCM Manager has been appointed and has assumed her duties, the unit still faces capacity constraints.

Table 47: SWA's SCM committees and functions

Supply Chain Management Committees	Guidelines	Functions and purpose of the committee	Number of meetings targeted	Actual	Reasons	Intervention/ Action taken
Bid Specification Committee (BSC)	Bid Specification Committee	To develop and approve the bid specifications	48	8	Delay in drafting the terms of reference and capacity constraints from the SCM department	All managers are taking accountability in making sure that the terms of reference are documented and meetings are scheduled
Bid Evaluation Committee (BEC)	Bid Evaluation Committee	To evaluate the bids received, which include verification of the capacity/ability of the bidder to execute the contract from a technical, managerial and financial perspective and it recommends to the BAC	4	0	Bids were advertised and closed in June 2016. All the bids that were advertised will be evaluated accordingly. The evaluation commenced on 22 August 2016	All the advertised bids will be adjudicated and awarded by 30 September 2016
Bid Adjudication Committee (BAC)	Bid Adjudication Committee	BAC assesses the process followed by the BEC in making the recommendation to ensure that SCM policy and all other relevant legislative requirements have been complied with, and then makes the final award or recommends to the CEO	4	0	No bids were adjudicated since the bid evaluation started on 22 August 2016. The BEC is still in progress	All the advertised bids will be adjudicated and awarded by 30 September 2016

Table 48: SWA's Bid Adjudication Committee structure and non-compliance with the requirements

Supply Chain Management procurement threshold and delegations (Table 10) Value of Purchase	Procurement method and requirements	Delegated authority	Oversight role	Procurement requirements defaults	Reasons	Intervention/ Action taken
Tenders above R200 000 to R10 million and long-term contracts	Tender	CEO	Board of Directors	None	Bids were sitting in the 2015/16 financial year as the bids were advertised and closed in June 2016	No awards were made
Tenders above R10 million	Tender	CEO	Board of Directors	None	No bid above R10 million was advertised	No awards were made

INFORMATION AND COMMUNICATIONS TECHNOLOGY

The SWA IT governance framework and controls were documented to provide guidance when making provision for the structures, policies and processes that would ensure IT support for the SWA strategies and objectives that are adequately designed, approved, implemented and operating effectively.

To ensure that the entity complies with ICT governance as per the approved DPSA ICT Governance Framework, Control Objectives for Information and Related Technology (COBIT) has been adopted as the ICT Governance Framework.

IT SUPPORT

The department has implemented a request logging system for users. This assists in clear analysis of requests and assists in addressing recurring issues/requests and will be able to pinpoint where training is required.

IT INFRASTRUCTURE

SWA's network connection is constantly down. In the area where SWA operates, the Telkom cables are constantly stolen and users are unable to access the network and thus become unproductive. To resolve the issue, SWA will be moving to the City of Tshwane fibre network. The process has already started.

IT APPLICATIONS

The systems used are outdated and thus do not satisfy the needs of the business. SWA has engaged the City of Tshwane and is currently in the process of migrating to the same systems used by the City of Tshwane for Enterprise Resource Planning (ERP) services.

IT PROJECTS

The IT Department embarked on the following projects:

- Desktop refresh project – there are few workstations outstanding which will be covered by the hardware tender contract that has been advertised and has received proposals
- Website revamp –the website project is completed and the website has been launched
- SAP implementation – the project is in progress for SWA to be mSCOA ready and compliant

POLICIES AND PROCEDURES REVIEW

The framework that the IT department uses is **COBIT 5**, which is a business framework for the governance and management of enterprise IT, concentrating on the IT continuity framework. IT procedures were documented and standard user forms designed. The listed policies below were documented and presented to the GRF subcommittee and the Board. They were all approved during the 2015/16 financial year:

- ICT Strategy
- ICT Governance Framework
- IT Server Room Policy
- IT Computer Use Policy
- IT Communication Resources Use Policy
- IT Equipment Allocation Policy
- Information Security Policy
- IT Change Management Policy
- Business Continuity Management
- IT Disaster Recovery Plan

SWA PERFORMANCE ON SCORECARD TARGETS

SWA has six strategic objectives which are aligned to those of the City of Tshwane. Key Performance Areas and Indicators are reviewed annually and approved by the Board of Directors in the business plan.

SWA has achieved three out of the ten set KPIs for the 2015/16 financial year, representing a 30% achievement rate on the scorecard. The 2014/15 financial year had a rate of 80%.

SWA SCORECARD

Strategic objective	Key Performance Area	Target 2015/1615/16	Annual performance achieved	Target achieved/Not achieved
1. Promote sustainable service infrastructure and human settlement management	Achieve an annual target of 20% non-revenue water	20%	31,98%	Target not achieved
2. Promote shared economic growth and job creation	Outsourcing 40% of job opportunities to SMMEs (30%) and Cooperatives (10%) annually	40%	17%	Target not achieved
3. Ensure a sustainable, safer city and integrated social development	Reduce the number of registered indigents who consume more than the allocated basic water consumption (12kℓ)	45%	10%	Target not achieved
4. Promote governance and active citizenry	Financial compliance in terms section 87(11) of the MFMA (annually)	100%	100%	Target achieved
5. Promote governance and active citizenry	SCM compliance in terms of regulations 12 and 36 of the SCM regulations	100%	100%	Target achieved
6. Promote governance and active citizenry	Identify critical risks and manage the risks to an acceptable level	90%	55,56%	Target not achieved
7. Promote governance and active citizenry	Conduct a customer satisfaction survey	One survey	One survey	Target achieved
8. Promote governance and active citizenry	Number of stakeholder meetings per ward to discuss community concerns (four meetings per ward per annum). There are currently nine ward committees	36	35	Target not achieved
9. Improve financial sustainability	Achieve revenue collection of 75% annually	75%	66,37%	Target not achieved
10. Continued organisational development, transformation and innovation	Review the approved organisational structure in line with SWA's business plan	1	Draft Organisational Structure	Target not achieved

3 TSHWANE ECONOMIC DEVELOPMENT AGENCY (TEDA)

TEDA is a state-owned company that was established in November 2006 and is solely owned by the City of Tshwane. TEDA is largely governed by the Companies Act, 2008 (Act 71 of 2008), the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), as amended, and the Local Government: Municipal Finance Management Act, 2003 (Act 53 of 2003), as amended, and its regulations.

The service delivery agreement entered into by TEDA and the City provides the mandate. TEDA has just concluded an organisational development exercise. This was undertaken to provide guidance on the organisational structure and skills set that are appropriate for the entity to deliver on its mandate, which is encapsulated into the following:

Core business components:

- Projects Portfolio Management
- Property and Asset Management

CORPORATE GOVERNANCE

TEDA strives to comply with the Constitution and the enabling general legislative prescripts. TEDA is committed to comply with all its relevant applicable legislation, ie the Companies Act, Municipal Finance Management Act, Municipal Systems Act, Broad-Based Black Economic Empowerment Amendment Act, National Environmental Management Act, Occupational Health and Safety Act, Labour Relations Act, Basic Conditions of Employment Act, Employment Equity Act, Promotion of Access to Information Act, the Skills Development Act and the regulations thereof.

TEDA approved a Corporate Governance Policy Framework in April 2014. The policy framework sets out, amongst others, roles and responsibilities of the shareholder, Board and management. The framework was developed in line with the King Report on Corporate Governance, 2009 (King III). It also incorporates the Code of Conduct for employees and directors, Fraud Prevention Policy, Conflict of Interests Policy and ICT Governance Framework. TEDA adopted various human capital policies in compliance with labour market legislation.

TEDA also adopted a Delegation of Authority Framework and Supply Chain Management Policy which allocates powers and functions to the Board, management committees, CEO and individual Executive Managers.

BOARD OF DIRECTORS

Table 49: TEDA Board of Directors

Board member	Capacity: Executive/ Non-executive	Race	Gender	Board committee membership
Prof DL Mosoma (Chairperson)	Non-executive	African	Male	<ul style="list-style-type: none"> Board chairperson Chairperson: Social and Ethics Committee
RS Bahula-Ermias	Non-executive	African	Female	<ul style="list-style-type: none"> Non-executive Director Member: Finance and Risk Committee
H Gouvelis	Non-executive	White	Male	<ul style="list-style-type: none"> Non-executive Director Member: HR and REMCO Member: Projects
L Vutula	Non-executive	African	Male	<ul style="list-style-type: none"> Resigned
ZG Mpungose	Non-executive	African	Female	<ul style="list-style-type: none"> Non-executive Director Chairperson: Trade and Investment Committee Member: HR and REMCO
CR Mpyane	Non-executive	African	Male	<ul style="list-style-type: none"> Non-executive Director Member: Trade and Investment Committee Member: Projects Committee
SP Mzizi	Non-executive	African	Female	<ul style="list-style-type: none"> Non-executive Director Member: Projects Committee Member: Finance and Risk Committee
FK Sibanda	Non-executive	African	Male	<ul style="list-style-type: none"> Non-executive Director Member: HR and REMCO Member: Trade and Investment Committee
N Singh	Non-executive	Indian	Female	<ul style="list-style-type: none"> Non-executive Director Chairperson: Finance and Risk Committee Member: Social and Ethics Committee

Board member	Capacity: Executive/ Non-executive	Race	Gender	Board committee membership
JL Thubakgale	Non-executive	African	Male	<ul style="list-style-type: none"> • Non-executive Director • Chairperson: HR and REMCO • Member: Finance and Risk Committee
M Yates	Non-executive	White	Male	<ul style="list-style-type: none"> • Non-executive Director • Chairperson: Projects Committee • Member: Trade and Investment Committee

HIGHLIGHTS

Some of the highlights for the year are as follows:

- TEDA successfully hosted the Tshwane International Trade and Infrastructure Investment Conference (TITIIC) at the CSIR International Convention Centre from 17 to 19 May 2016. The conference featured over 28 exhibitors and 30 international and locally hosted investors. It also focused on panel discussions anchored by high profile local and international speakers who are all specialists within their specific fields. The TITIIC was attended by 355 delegates and 389 business meetings were scheduled
- TEDA also hosted the SMME Fair that has grown since its inception to become one of our flagship events targeting Tshwane-based SMMEs and entrepreneurs. The event enjoyed coverage on various media platforms and there was growth in attendance, as well as tangible support for SMMEs from various partner organisations
- The Youth Entrepreneurship Drive was hosted on 23 June 2016 and seeks to curb unemployment and encourage entrepreneurship. Sixty finalists attended a three-day boot camp prior to the final event sponsored by the Innovation Hub. 30 finalists qualified for final pitches at the CSIR. Ten winners were identified and qualified for enterprise development interventions offered by TEDA strategic partners, while all 30 participants won prizes sponsored by partners from both the private and public sector
- TEDA, in conjunction with the Department of Trade and Industry, hosted the Export Capacity Workshop from 2 to 4 March 2016
- TEDA also hosted three business delegations: Germany, Hungary and Nigeria

- TEDA facilitated grants of R1,2 million and R1,3 million from the Department of Trade and Industry Export Marketing Incentive Assistance to undertake trade and exhibition missions to South Korea and Nigeria respectively

TEDA'S SUPPLY CHAIN PROCESSES AND PROCEDURES

Supply Chain Management (SCM) process

SCM is an integral part of financial management and its role is to render a support service in terms of goods and professional services to TEDA. Goods and services are procured in a system that is fair, equitable, transparent, competitive and cost-effective. It is always ascertained that the procurement system operates within a framework that promotes and affirms historically disadvantaged individuals and provides categories of BEE preference in allocating contracts.

SCM is divided into five elements (phases), which are summarised below:

- **Demand management:** This phase deals with the identification of the need for goods and services, ensuring that requirements are linked to the budget, conducting stakeholder analysis, drafting specifications or terms of reference, determining preferential procurement strategies, determining the evaluation criteria, determining the lead and delivery times, estimating the cost of goods and services, and obtaining necessary approval for the acquisition of goods and services. In this phase, the end user plays the biggest role with the assistance of the Procurement Unit. A Specification Committee is appointed, comprised of the end user and SCM members, and any other role player to facilitate this process.
- **Acquisition management:** This is the second phase of SCM. At this phase, a decision on how to approach the market is made, the total cost of ownership is determined, bid documents are compiled, bids are invited and evaluated, and contracts are signed. This phase is executed by the Procurement Unit, with some assistance from the end user and other role players. A Bid Evaluation Committee is appointed, comprised of the end user and SCM members, and any other role player to facilitate this process. A tender committee, known as the Bid Adjudication Committee, is also appointed to evaluate the adjudicated contracts.
- **Logistics management:** This is the third phase that elaborates on the requisitioning of goods from the store (inventory management). It deals with items which are kept at the store for issuing to end users on request. Such items are kept at the store due to repetitive or frequent requirement, which makes it impractical to invite price quotations for each request. Orders are placed from suppliers that are registered onto the Supplier Database System to solicit the above goods, unless a contract

has been entered into. The process of placing orders, receiving and dispatching falls within this ambit.

- **Disposal management:** This is a phase where unserviceable, redundant or obsolete movable items are dealt with. A disposal committee is appointed to recommend the proper disposal strategy. All the above elements are conducted in accordance with the delegated powers/authority.
- **Supply chain performance:** This is the final phase. This is where projects are monitored at their completion. The SCM process is monitored to determine whether the desired objectives and goals were achieved.

SCM is also responsible for the effective, efficient, economic and transparent use, management, safeguarding and maintenance of assets. Various types of forms are utilised to ensure proper control while relocating and or moving assets. Assets must be physically assessed annually to determine their useful life. This is accomplished through inspecting the physical condition of the assets.

SCM capacity within TEDA

Currently, SCM is comprised of the following three permanent staff members.

Table 50: TEDA's supply chain management

DESIGNATION	RESPONSIBILITY
Senior Manager: SCM	Supply chain performance and policy development
Manager: SCM	Tender administration
Supply Chain Practitioner	Price quotation

SCM policy approval is in line with the Municipal Finance Management Act, 2003, Act 56 of 2003.

All SCM policies are approved by the relevant board, through the Finance, Risk and Governance Committee. Before approval is granted or the policy is adopted, it is ensured that the policy is aligned to all relevant legislative frameworks, like the SCM Directive for Municipal Accounting officers, Municipal Acts, the Municipal Supply Chain Model, etc.

The following table indicates SCM committees and their related functions:

Table 51: TEDA's supply chain committees and functions

SUPPLY CHAIN MANAGEMENT COMMITTEE	GUIDELINES	FUNCTIONS AND PURPOSE OF THE COMMITTEE	NUMBER OF MEETINGS PLANNED	ACTUAL	REASONS FOR DEVIATION	INTERVENTION/ACTION TAKEN
Bid Specification Committee	Regulation 27 of the Municipal SCM Act	Compile specifications and terms of reference	5	5	None	Not applicable
Bid Evaluation Committee	Regulation 28 of the Municipal SCM Act	Evaluation of the bidder's ability to execute the contract in accordance with set standards and criteria	5	4	None	Not applicable – travel and accommodation tender is under evaluation
Bid Adjudication Committee	Regulation 29 of the Municipal SCM Act	Considers the report of the evaluation committee, depending on delegated powers, and either approves or recommends it to the accounting officer.	2	2	None	Not applicable – two tenders were adjudicated through Regulation 32 and travel and accommodation is still under evaluation

Table 52: Bid Adjudication Committee structure and non-compliance with the requirements

SUPPLY CHAIN MANAGEMENT PROCUREMENT THRESHOLD AND DELEGATIONS (TABLE 10) VALUE OF PURCHASE	PROCUREMENT METHOD AND REQUIREMENTS	DELEGATED AUTHORITY	OVERSIGHT ROLE	PROCUREMENT REQUIREMENTS DEVIATIONS	REASONS	INTERVENTION/ ACTION TAKEN
0 to R2 000	Petty cash	CFO	CFO	N/A	N/A	N/A
R2 001 to R10 000	Three quotations	CEO	CFO	N/A	N/A	N/A
R10 000 to R30 000	Three formal written quotations	CEO	CFO	N/A	N/A	N/A
R30 001 to R200 000	Three formal written quotations	CEO	CEO	N/A	N/A	N/A
Unlimited	In terms of Regulation 36(2) of SCM Regulations 276363 of 30 May 2005, the accounting officer must record the reasons for any deviation in terms of sub-regulation (1)(a)(b) and report them to the next meeting of the Council or Board of Directors in the case of a municipal entity, included as a note	CEO	Board	N/A	N/A	N/A
		CEO	Board			
		CEO	Board	N/A	N/A	N/A
		CEO	Board	N/A	N/A	N/A
		CEO	Board	N/A	N/A	N/A
		CEO	Board	N/A	N/A	N/A

SUPPLY CHAIN MANAGEMENT PROCUREMENT THRESHOLD AND DELEGATIONS (TABLE 10) VALUE OF PURCHASE	PROCUREMENT METHOD AND REQUIREMENTS	DELEGATED AUTHORITY	OVERSIGHT ROLE	PROCUREMENT REQUIREMENTS DEVIATIONS	REASONS	INTERVENTION/ ACTION TAKEN
	<p>to the Annual Financial Statements.</p> <p>The procurement of a long-term contract (more than 12 months</p> <p>Regulation 12(d)(i)(ii) and Regulation 11(2)</p>					

TEDA SCORECARD

Strategic objective 1: To develop, facilitate and promote viable foreign and local investments into the City of Tshwane

No	Output	Performance indicator	Annual target	Annual performance achieved	Achieved/Not achieved	Comments/Reason for deviation/Corrective measure
1.1	Investment attraction	Rand value of investment attracted to the City by TEDA	R500 million	R520 million	Achieved	-
1.2	Trade and investment intelligence acquired	Number of trade and investment reports produced	3	2	Not achieved	The one outstanding report was committed in the 2016/17 financial year and was accomplished
1.3	Export development and promotional services provided	Number of capacity-building initiatives held for SMME export readiness	2	2	Achieved	-
1.4	Trade and investment missions undertaken	Number of trade and investment missions participated in	8	10	Achieved	-

Strategic objective 2: To establish and maintain an economic infrastructure investment vehicle

No	Output	Performance indicator	Annual performance target	Annual performance achieved	Achieved/Not achieved	Comments/Reasons for deviation/Corrective measures
2.2	Facilitate economic growth that	Mobilisation of income (TEDA Lounge)	Income generated from use of TEDA Lounge by external organisations	Hosting of one external occasion at a fee	Achieved	-

No	Output	Performance indicator	Annual performance target	Annual performance achieved	Achieved/Not achieved	Comments/Reasons for deviation/Corrective measures
	is labour absorptive	Implementation of the management of two of the City's CAPEX projects, in line with SDA	Manage the BPO and Caledonian projects on behalf of the City of Tshwane	Progress report on SLA implementation	Not achieved	Although a decision was taken on the migration of these projects to TEDA, that was not expressed through the logical consequence of the SLAs. The matter was escalated but not resolved
		Rand value of external funding achieved	External funding obtained for at least one TEDA project	Funding assurance obtained	Achieved	-

Strategic objective 3: To identify, design, develop and manage projects with strategic economic and social benefits for the greater Tshwane community

No	Output	Performance indicator	Annual performance target	Annual performance achieved	Achieved/Not achieved	Comments/Reasons for deviation/Corrective measures
3.1	Tshwane Agro-processing Hub	Detailed market feasibility study for the Hub	Agro-processing marketable status reached	Detailed market feasibility report	Achieved	-
		Agro-processing Hub business plan developed	Business plan used for investment attraction	Agro-processing business plan	Achieved	-
3.2	Tshwane Intermodal Freight Terminal and Logistics Hub	Facilitation of project in transport and logistics sector	Implementation of a Tripartite agreement	Development of standard equity agreement	Achieved	-
3.3	Refurbishment of City-owned properties	Refurbishment of Groenkloof Nature Reserve house into an income-generating chalet	Refurbishment of one dilapidated and underutilised City of Tshwane facility	Completion of the refurbishment of the facility	Achieved	-

No	Output	Performance indicator	Annual performance target	Annual performance achieved	Achieved/Not achieved	Comments/Reasons for deviation/Corrective measures
3.4	Facilitate economic growth that is labour absorptive	Number of income-earning opportunities facilitated by TEDA	300	584	Achieved	-

Strategic objective 4: To develop and maintain a strategic immovable and property asset portfolio for maximum return on investment

No	Output	Performance indicator	Annual performance target	Annual performance achieved	Achieved/Not achieved	Comments/Reasons for deviation/Corrective measures
4.1	Migration of asset management portfolio to TEDA	Business case development	Approval of business case	Business case developed and submitted for approval	Not achieved	The business case was developed but was not approved by the City because of the decision to establish the new Group Property Management Department

Strategic objective 5: To facilitate the implementation of agreements signed between the City of Tshwane and key stakeholders

According to TEDA's Revised Business Plan 2015/16, there were no targets planned for this strategic objective (See comments in 4.1)

Strategic objective 6: To promote Tshwane as a viable investment destination through the implementation of an integrated marketing and communication programme

No	Output	Performance indicator	Annual performance target	Annual performance achieved	Achieved/Not achieved	Comments/Reasons for deviation/Corrective measures
6.1	City's increased competitiveness	Number of events hosted to promote City's competitiveness	3	3	Achieved	-

Strategic objective 7: To establish and build TEDA as a strong and effective organisation in the context of good governance best practice

No	Output	Performance indicator	Annual performance target	Annual performance achieved	Achieved/Not achieved	Comments/Reasons for deviation/Corrective measures
7.1	Effective risk management	Strategic risk appetite framework developed, implemented and reviewed	Development of risk appetite framework and matrix	Risk appetite framework and matrix developed	Achieved	
		Enterprise risk management processes outlined	Attainment of level 3 maturity in risk management	Level 3 maturity in risk management attained	Achieved	

4 ORGANISATIONAL DEVELOPMENT PERFORMANCE MANAGEMENT

INTRODUCTION

In the 2015/16 financial year, the City of Tshwane set three strategic objectives in its IDP, that were to contribute to achieving Outcome 5 of Tshwane Vision 2055, “An African capital city that promotes excellence and innovative governance solutions.” To achieve this outcome; the City will ensure that it attracts the right skills and improves its human resources policies and practices to “ignite excellence”.

The three objectives as set out in the IDP are:

- Promote good governance and active citizenry
- Improve financial sustainability
- Continued institutional development, transformation and innovation

The IDP identified human capital management, the introduction and rollout of ethical standards, and induction and training of staff as strategic medium-term actions to be taken towards achieving continued institutional development, transformation and innovation.

This chapter of the report describes the progress on the organisational development initiatives of the City for the financial year 2015/16. Amongst others, it reports on the Municipality’s employment statistics, training initiatives and awards for service excellence; and declares benefits provided to senior management and the Council.

A INTRODUCTION TO MUNICIPAL PERSONNEL

INTRODUCTION

The City of Tshwane abides by legislation that guides the appointment, management and termination of staff. The Corporate and Shared Services Department has been tasked with providing leadership, guidance and direction to the human resource practices of the Municipality and its entities. The department is headed by a Strategic Executive Director.

1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

The vacancy rate is that of permanent employees only, and thus excludes councillors, temporary workers and students. The number and turnover of vacancies are impacted by the availability of funding. The vacancy rate is further influenced by the outstanding micro-organisational structure of the City.

The following table explains the categorisation of occupational levels that are referred to in this chapter.

Table 53: Explanatory table – categorisation of occupational levels

Occupational levels	2012/13	2013/14	2014/15	2015/16
Top management	(F1 – F3)	(F1 – F3)	Contract CM, DCM, SED (F1 – F3)	(F1 – F3)
Senior management	(E1 – E3)	(E1 – E3)	Contract SED (F3) Contract ED (E3) (E1 – E2)	(E1 – E3)
Professionally qualified	(D1 – D2/3/E1)	(D1 – D2/3/E1)	(D1 – D2/3/E1)	(D1 – D2/3/E1)
Skilled technical	(C1 – C3/D1)	(C1 – C3/D1)	(C1 – C3/D1)	(C1 – C3/D1)
Semi-skilled	(B1 – B3/C1/2/3/D1)	(B1 – B3/C1/2/3/D1)	(B1 – B3/C1/2/3/D1)	(B1 – B3/C1/2/3/D1)
Unskilled	(A1 – A3/B1/2)	(A1 – A3/B1/2)	(A1 – A3/B1/2)	(A1 – A3/B1/2)

The City of Tshwane aims to be an employer of choice. The following table provides statistics on the employees per occupational level as at the end of the 2015/16 financial year. All 26 top management officials are from the historically disadvantaged group, 24 of whom are black. Of the 20 076 employees, 90 are non-permanent.

Table 54: Total number of employees (including disabled) per occupational level as at 30 June 2016

Occupational levels	Male				Female				Foreign nationals		TOTALS
	A	C	I	W	A	C	I	W	Male	Female	
Top management	17	0	1	0	7	0	0	1	0	0	26
Senior management	384	16	14	148	263	12	10	82	0	0	929
Professionally qualified	384	10	5	282	310	8	6	108	0	0	1113
Skilled technical	2192	56	26	878	1932	63	23	439	0	0	5609
Semi-skilled	3110	66	14	294	2127	65	21	331	0	1	6029

Occupational levels	Male				Female				Foreign nationals		TOTALS
	A	C	I	W	A	C	I	W	Male	Female	
Unskilled	5049	47	1	48	1123	7	0	5	0	0	6280
Total permanent	11136	195	61	1650	5762	155	60	966	0	1	19986
Non-permanent employees	41	4	1	3	37	3	0	1	0	0	90
GRAND TOTAL	11177	199	62	1653	5799	158	60	967	0	1	20076

VACANCY RATE

The vacancy rate is that of permanent employees only, and excludes councillors, temporary workers and students. It is determined by dividing the total number of vacant positions on the approved organisational structure by the total number of filled permanent positions. This formula can be used to calculate the vacancy rate for one position, a class code, a division or the entire organisation. It is formulated by the total number of vacant positions of a specified date, divided by the total number of authorised positions of the same date. The vacancy rate is affected by several factors, including available resources and the ability to attract suitable candidates that meet the advertised criteria.

The following table provides a summary of positions filled, seen against those advertised to be filled for the 2015/16 financial year.

Table 55: Positions filled vs those advertised

Positions advertised/filled	Q1	Q2	Q3	Q4	Total
Positions advertised	143	215	227	83	668
Positions filled	132	175	117	38	462
Average days (weekends included, therefore average on the allowed 90 days)	84	83	75	74	81

The following table presents the number of posts filled per department. It is clear that there has generally been an increase in the number of posts filled in many departments, compared to the 2014/15 financial year. This was done to ensure stability of the organisation, and that the skills required for service delivery are available.

Table 56: Number of posts filled

Department/function	2014/15		2015/16	
	Number of posts	Number of posts filled	Number of posts	Number of posts filled
Office of the City Manager	120	47	120	56
Office of the Executive Mayor	52	152	52	182
Office of the Speaker	267	200	267	194
Office of the Chief Whip	74	34	74	34
Office of the Deputy City Manager: Infrastructure and Programme Management	31	9	31	12
Water and Sanitation	4518	2082	1906	365
Energy and Electricity	-	-	2203	319
Transport	1573	1013	1573	567
Housing and Human Settlement	131	74	131	68
Integrated Rapid Public Transport Network	160	62	160	60
Office of the Deputy City Manager: Strategy Development and Implementation	51	18	51	6
City Planning and Development	591	420	591	392
Economic Development	139	76	139	68
City Strategies and Performance Management	60	24	60	24
Communication, Marketing and Events	173	82	173	81
Research and Innovation	50	19	-	-
Customer Relations Management	-	-	1	229
Group Property Management	-	-	1	37
Office of the Deputy City Manager: Operations	19	3	19	5
Sport and Recreational Services	91	109	91	107
Environmental Management	734	530	734	542
Health and Social Development	742	369	742	147
Group Audit and Risk	189	129	189	129
Group Financial Services	1473	1256	1473	957

Department/function	2014/15		2015/16	
	Number of posts	Number of posts filled	Number of posts	Number of posts filled
Metro Police Services	4409	2719	4409	4212
Corporate and Shared Services	1090	761	1090	537
Group Legal Services	268	142	268	133
Group ICT	272	97	272	95
Emergency Services	1649	1183	1649	1132
Office of the Deputy City Manager: Service Delivery and Coordination	1106	1484	1106	3276
Community and Business Safety	-	-	24	5
Regional Operational Centre	-	-	1	-
Region 1	1616	1125	1616	1037
Region 2	977	393	977	496
Region 3	3482	2518	3482	2207
Region 4	1250	632	1250	642
Region 5	696	247	696	245
Region 6	2210	1282	2210	1221
Region 7	894	208	894	257
TOTAL	31 157	19 499	30 725	20 076

The following table provides a percentage breakdown of employees in permanent positions, in comparison with those in the economically active population.

Table 57: Permanent positions

Economically active population%						City of Tshwane %					
Male			Female			Male			Female		
AM	African male	40.3%	AF	African female	33.8%	AM	African male	55.72%	AF	African female	28.83%
CM	Coloured male	5.9%	CF	Coloured female	5.2%	CM	Coloured male	0.98%	CF	Coloured female	0.78%

IM	Indian male	1.8%	IF	Indian male	1.1%	IM	Indian male	0.31%	IF	Indian female	0.30%
WM	White male	6.6%	WF	White female	5.3%	WM	White male	8.26%	WF	White female	4.83%
	TOTAL	54.7%		TOTAL	45.3		TOTAL	65.27%		TOTAL	34.74%

2 SECTION 56 EMPLOYEES, DISABILITY AND EMPLOYMENT EQUITY

SECTION 56 EMPLOYEES

Section 56-employees include those that are contractually bound for five years, and report directly to the City Manager. As indicated above, the Municipality has 26 top management employees, excluding those employed by the municipal entities.

EMPLOYEES WITH DISABILITIES

The City is committed to providing fair opportunities to people with disabilities. Although we are not satisfied with our current levels, we continue to strive to ensure that departments consider people with disabilities in their recruitment processes. The provision of internship opportunities is also expanded to provide learning and experiential opportunities for students with disabilities.

Of the 989 officials in senior management positions, 16 (1,6%) have a recognised disability. A total of 205 of the employees of the City are recognised as having a disability (1,05% of the total number of employees). Of the 205 employees with disabilities, 63 are female (30,73%) and 147 are from the historically disadvantaged group.

Table 58: Total number of employees with disabilities on the different occupational levels

Occupational levels	Male				Female				Foreign nationals		TOTAL
	A	C	1	W	A	C	1	W	A	C	
Top management	0	0	0	0	0	0	0	0	0	0	0
Senior management	5	0	0	5	4	0	0	2	0	0	16
Professionally qualified	1	0	1	16	4	1	0	0	0	0	23
Skilled technical	17	1	0	27	6	0	1	7	0	0	59
Semi-skilled	19	1	0	10	6	1	0	15	0	0	52

Occupational levels	Male				Female				Foreign nationals		TOTAL
	A	C	1	W	A	C	1	W	A	C	
Unskilled	27	0	0	0	5	0	0	1	0	0	33
Total permanent	69	2	1	58	25	2	1	25	0	0	183
Non-permanent employees	11	1	0	0	10	0	0	0	0	0	22
GRAND TOTAL	80	3	2	58	35	2	1	25	0	0	205

EMPLOYMENT EQUITY

The City recruits staff against an approved employment equity plan which is approved internally and must be considered by the Department of Labour. The high-level objectives of the City of Tshwane Employment Equity Strategy (2012-2017) are to –

- achieve equity at the workplace;
- demonstrate the City's intention to create a working environment that is conducive to the recruitment, development and retention of a diversified workforce;
- identify opportunities to appoint people with disabilities and women in senior positions; and
- mainstream development programmes for women, youths and people with disabilities.

The strategy has identified the following forums for its implementation:

- Employment equity forums
- Disability forums
- Top and senior management

The following objectives have been identified and listed in the Employment Equity Plan 2012–2017:

1. To ensure equal representation at top management level
2. To address over-representation of –
 - white males and white females at senior management, professionally qualified and skilled technical levels
 - black males at semi-skilled and unskilled levels
3. To address under-representation at all levels, of –
 - coloured males, Indian males and white males
 - African females, coloured females and Indian females
4. To appoint and retain people with disabilities
5. To address inequities in salaries

6. To run training programmes and initiatives to eliminate barriers to affirmative action
7. To assess all HR-related policies annually

The table below reflects the numeric targets, including people with disabilities, at 30 June 2015.

Table 59: Employment equity targets

Occupational levels	Male				Female				Foreign nationals		TOTAL
	A	C	I	W	A	C	I	W	Male	Female	
EAP	40,30 %	5,90 %	1,80 %	6,60%	33,80 %	5,20 %	1,10 %	5,30 %	0%	0%	100,00 %
Top management	19	0	1	0	9	0	0	1	0	0	30
Percentage	63,33 %	0,00 %	3,33 %	0,00%	30,00 %	0,00 %	0,00 %	3,33 %	0,00 %	0,00%	100%
Gap											
Senior management	399	40	18	150	275	26	11	82	1	0	1002
Percentage	39,82 %	3,99 %	1,80 %	14,97 %	27,45 %	2,59 %	1,10 %	8,18 %	0,10 %	0,00%	100%
Gap											
Professionally qualified	559	45	30	316	429	40	15	124	0	0	1558
Percentage	35,88 %	2,89 %	1,93 %	20,28 %	27,54 %	2,57 %	0,96 %	7,96 %	0,00 %	0,00%	100%
Gap											
Skilled technical	1465	85	37	731	1355	90	45	416	0	0	4224
Percentage	34,68 %	2,10 %	0,88 %	17,31 %	32,08 %	2,13 %	1,07 %	9,85 %	0,00 %	0,00%	100%
Gap											
Semi-skilled	3109	100	35	530	1948	86	35	458	0	0	6301

Percentage	49,34 %	1,59 %	0,56 %	8,41%	30,92 %	1,6%	0,56 %	7,27 %	0,00 %	0,00%	100%
Gap											
Unskilled	5710	62	19	85	1109	15	12	20	0	0	7032
Percentage	81,23 %	0,88 %	0,27 %	1,21%	15,77 %	0,21 %	0,17 %	0,28 %	0,00 %	0,00%	100%
Gap											
Total permanent	11261	332	140	1812	5125	257	118	1101	1	0	20147
Non-permanent employees	3336	19	9	87	7700	26	8	62	2		11249
GRAND TOTAL	14597	351	149	1899	12825	283	126	1163	3	0	31396

WORKFORCE PROFILE FOR THE SANDSPRUIT WORKS ASSOCIATION (SWA)

The workforce profile in terms of race, gender and disability as at 30 June 2015:

(This table contains information on all employees, including people with disabilities)

Table 60: SWA

Occupational levels	Males				Females				Foreign nationals		Total
	A	C	I	W	A	C	I	W	Males	Females	
Top management	1	0	0	0	0	0	0	0	0	0	1
Senior management	1	0	0	1	2	0	1	0	0	0	5

Occupational levels	Males				Females				Foreign nationals		Total
	A	C	I	W	A	C	I	W	Males	Females	
Professionally qualified and experienced specialists and mid-management	12	0	1	1	12	0	0	0	0	0	26
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	15	1	0	0	14	0	0	1	0	0	31
Semi-skilled and discretionary decision-making	65	0	0	0	46	0	0	0	0	0	111
Unskilled and defined decision-making	67	0	0	0	11	0	0	0	0	0	78
TOTAL PERMANENT	161	1	1	2	85	0	1	1	0	0	253
GRAND TOTAL	161	1	1	2	85	0	1	1	0	0	252

VACANCIES AND FILLED POSITIONS OF THE HOUSING COMPANY TSHWANE (HCT)

During the 2014/15 financial year the HCT experienced capacity challenges, which affected its ability to achieve its planned targets. The following table indicates the filled and vacant positions in the HCT as at the end of June 2016.

Table 61: Vacancies in HCT

Units	Number of posts	Number of filled posts	Number of vacancies	Percentage of vacancies
Chief Executive Officer	3	0	3	100%
Finance Department	5	4	1	20%

Units	Number of posts	Number of filled posts	Number of vacancies	Percentage of vacancies
Property Management	7	6	1	14%
Property Development	2	1	1	50%
Operations	5	3	2	40%
TOTAL	22	12	8	45%

Table 62: Employment equity – HCT

Employment equity figures					
	African	Coloured	Indian	White	Total
Males	9	0	0	0	9
Females	4	0	1	0	5
Total	13		1		14
Actual %	68,4%	0%	100%	0%	63,64%
Target %	100%	100%	100%	100%	100%
Gap	6	1	0	1	8
Target total	19	1	1	1	22
Change totals					
Staff levels:					
Senior management	3	0	0	0	3
Administration	11				11

EMPLOYMENT EQUITY – TEDA

Table 63: Employment equity – TEDA (including people with disabilities)

Job levels	Black (a/c/i)		White		Foreign nationals		Gender Total		Grand Total
	M	F	M	F	M	F	M	F	Total
Executives	2	4	0	0	0	0	2	4	6
Senior management	6	2	0	0	0	0	6	2	8
Middle management	2	5	0	0	0	0	2	5	7
Operational	1	4	0	0	0	0	1	4	5
Support	4	5	0	0	0	0	4	5	9
Total permanent	15	20	0	0	0	0	15	20	35
Temps and interns	0	1	0	0	0	0	0	1	0
Grand total	15	21	0	0	0	0	15	21	35

There were no employees with disabilities in the TEDA population (at all levels) for the financial year.

Table 64: TEDA vacancies and filled positions

Business units	2014/15 approved posts according to the structure	Number of filled posts	Vacant posts
Office of the CEO	7	4	3
Company Secretary	3	2	1
Office of the CFO	8	8	0
Corporate Services	13	9	4
Asset Management	6	0	6
Investment Promotion and Funding	10	7	3
Internal Audit	2	0	2
Risk and Compliance	1	0	1
Projects Portfolio	10	3	7
Total	60	33	27

The following section considers information related to the management of the municipal workforce.

B MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION

In this section, the following elements are dealt with:

- Capacitating the municipal workforce
- Suspensions uplifted
- Disclosures of senior managers and councillors

During the 2015/16 financial year, no new human resource policies were developed and none of the existing policies were reviewed.

1 INJURIES, SICK LEAVE AND SUSPENSIONS

The City of Tshwane has improved in respect of compliance with the administration of occupational health and safety. A total of 856 injuries on duty were reported. This could be attributed to the more accurate recording of incidents since the incidents of the whole organisation are now captured in a singular reporting system. Employees are also informed better of their responsibility to report sustained injuries.

INJURIES

Over the past few years, OHS administrative compliance has improved. The Municipality is evaluated against a set of OHS performance indicators that are reviewed annually to ensure improved performance.

The following table indicates the number of injuries that were recorded in line with the Occupational Health and Safety Act.

Table 65: Injuries for 2015/16

Activity	Total employees or incidents 2013/14	Total employees or incidents 2014/15	Total employees or incidents 2015/16	Challenges
Medical surveillance including biological monitoring	7 497 employees	7 790 employees	8 579 employees	Non-compliance of employees attending the clinic for the annual medical evaluations
Initial and exit medical examinations	2 441 employees	364 employees	232 employees	Lack of communication between the Department, HR and the clinic concerning employees in high risk departments who have joined the Municipality, and those who have resigned
Evaluation of medically incapacitated employees	86 employees	65 employees	61 employees	None
Development of occupational risk profiles	0 profiles	273 profiles	180 profiles	Some positions not indicated on the structure
Immunisation against Hepatitis B	0 immunisations	0 immunisations	0 immunisations	Discontinued
General medical services provided	9 731 clinic visits	8 383 clinic visits	7 328 clinic visits	None
Specialised and general health and safety training provided to employees	1 895 employees	1 082 employees	2 758 employees	Only one Training Officer appointed has to give OHS training to all City of Tshwane employees.
Legal compliance audits	204 audits	250 audits	218 audit	2 OHS compliance officers resigned, which created many constraints to completion of the planned OHS audit as per the schedule

Activity	Total employees or incidents 2013/14	Total employees or incidents 2014/15	Total employees or incidents 2015/16	Challenges
Medical surveillance including biological monitoring	7 497 employees	7 790 employees	8 579 employees	Non-compliance of employees attending the clinic for the annual medical evaluations
Inspections of workplaces	58 inspections	80 inspections	69 inspections	None
Accidents recorded, investigated and legally required documentation produced	930 incidents	856 incidents	769 incidents 54% of the reported incidents have been fully investigated	Personnel shortage SAP EHS System challenges, which hamper the management of cases of injury on duty. 5 144 cases have been reported since July 2012 and by 18 June 2016 we had managed to investigate 4 669 cases. Outstanding IODs: 476 cases
Tenders and quotes evaluated in terms of health and safety requirements	19 meetings on quotes and tenders attended	0	0	OHSCM no longer invited to the tender meetings
Section 24 incidents investigated	48 incidents	45 Incidents	34 Incidents	Personnel shortage hampers the timeous investigation of incidents.
Health and Safety Committee meetings attended as co-opted members	511 meetings	498 meetings	317 meetings	None
Occupational hygiene surveys performed	0	0	0	Section not staffed or funded
Assessment of stressors done	0	0	0	Section not staffed or funded

E-LEAVE

The Group Information and Communication Technology Department in conjunction with the Human Resources Department has started to implement E-leave, the electronic leave administration system. This solution has enabled us to move from the manual leave system to an electronic self-service system. To date, many departments have been issued with go-live letters. At present, 90% of the employees have been trained on the system, and their leave applications are now processed through E-Leave. This system will improve the management and functioning of the leave system.

Table 66: Total sick leave recorded 2015/16

Description	2014/15		2015/16	
	Total sick leave days	Proportion of sick leave without medical certificate %	Total sick leave days	Proportion of sick leave without medical certificate %
Sick leave with medical certificate	182, 080	86,17	120, 836	82,56
Sick leave without medical certificate	29, 216	13,83	25, 522	17,44
Total number of days' sick leave	211, 296	-	146, 358	-

SUSPENSIONS UPLIFTED

In the 2015/16 financial year, only 3 suspensions were uplifted or escalated further in terms of disciplinary proceedings as a result of intimidation, gross negligence and dishonesty by some officials. The following table provides information on the suspensions uplifted during the 2015/16 financial year.

Table 67: Suspensions uplifted, 2015/16

Suspensions uplifted 2015/16			
Position	Reason for suspension	Date of suspensions	Date of upliftment and reason
Operator	Intimidation	23 October 2015	Uplifted January 2016 cases proceeding

Suspensions uplifted 2015/16			
Position	Reason for suspension	Date of suspensions	Date of upliftment and reason
Forensic Investigator	Gross negligence	3 November 2015	Uplifted February 2016 case proceeding
Director	Dishonesty	2 February 2016	Uplifted May 2016; case proceeding

2 CAPACITATING THE MUNICIPAL WORKFORCE

The capacitation of the municipal workforce is an essential element of service delivery, innovation and improving efficiencies. Capacitation of the workforce is done in several ways, including –

- training;
- skills development; and
- internships.

In the effort to develop competency, the Tshwane Leadership and Management Academy (TLMA) plays a major role in the provision of relevant, effective training and learning programmes that meet the city of Tshwane's service and sustainability requirements. All the training that TLMA provided, was based on the requirements to address the priorities determined in accordance with the Workplace Skills Plan.

The following table presents statistics on the number of Tshwane employees who received training during the 2015/16 financial year. The total number of City of Tshwane employees trained in the 2015/16 financial year is 8 970.

Table 68: Total employees trained

Management level	Gender	Employees in post as at 30 June 2016	Number of skilled employees required and actual employees as at 30 June 2016			
			Learnership	Skills programmes and other short courses	Other forms of training	Total
		No.	Actual: End 2015/16	Actual: End 2015/16	Actual: End 2015/16	Actual: End 2015/16
1. Legislators	Female	87	0	3	0	3
	Male	141	0	0	0	0
2. Managers	Female	832	0	43	126	169

	Male	944	5	40	171	216
	Female	1940	20	31	371	422
3. Professionals	Male	1659	43	40	511	594
4. Technicians and trade workers	Female	269	0	3	31	34
	Male	1532	9	9	42	60
5. Community and personal service worker	Female	587	6	7	92	105
	Male	127	0	1	15	16
6. Clerical and administrative workers	Female	2249	21	30	605	656
	Male	984	17	18	192	227
7. Sales and services workers	Female	1977	15	982	1334	2331
	Male	3202	36	1338	2023	3397
8. Machinery operators and drivers	Female	93	0	1	22	23
	Male	1144	9	11	73	93
9. Elementary workers	Female	1084	9	38	103	150
	Male	4739	67	104	303	474
Grand Total		23590	257	2699	6014	8970

3 DISCLOSURES

To ensure good governance practice, officials (especially senior management) and councillors are required to make financial disclosures in order to prevent fraud, unauthorised work outside of the City, and conflict of interest when participating in specific committees.

This section of the report discloses to the public the remuneration of the City Manager and his direct reports, as well as councillors for the 2015/16 financial year. The following table presents the annual remuneration of the City Manager and his direct reports.

Table 69: Remuneration of Municipal Manager and direct reports

Name	Designation	Entry Date	Annual Remuneration (R)
Jason Ngobeni	City Manager	01/09/2011	3, 217, 814
Lindiwe Kwele	Deputy City Manager	01/01/2012	2, 583, 664
Mokhokela Kgope Frans Boshielo	Deputy City Manager	01/12/2011	2, 188, 114

Name	Designation	Entry Date	Annual Remuneration (R)
Lisa Nkosinathi Mangcu	Deputy City Manager	01/12/2011	2, 188, 114
Ndivhoniswani Lukhwareni	Deputy City Manager	01/07/2007	2, 188, 114
Obed Thenga	Chief Audit Executive	01/01/2012	1, 673, 252
Andile Phillip Dyakala	Chief Financial Officer	01/08/2007	2, 123, 757
Joan Kathlen De Beer	Chief of Emergency Services	01/07/2012	1, 846, 819
Khazamula Steven Ngobeni	Chief of Police	01/05/2012	1, 812, 853
Ernest Webster Shoji	Chief of Staff	01/08/2012	1, 873, 283
Dudlana John Otumile	Group Chief Information Officer	05/11/2012	1, 873, 283
Mapiti David Matsena	Strategic Executive Head: Secretariat of Council	01/08/2010	1, 673, 267
Kgaugelo Welheminah Mkhwebane	Strategic Executive Head: Office of the Chief Whip	01/01/2008	1, 673, 263
Makgorometje Augustine Makgata	Strategic Executive Director: City Planning and Development	22/05/2012	1, 833, 949
Mayur Maganlal	Strategic Executive Director: City Strategies and Performance Management	01/11/2012	1, 722, 017
Nomasonto Cynthia Ndlovu	Strategic Executive Director: Communication, Marketing and Events	17/03/2012	1, 833, 949
Mahlomola Daniel Manganye	Strategic Executive Director: Community Business Safety	01/10/2010	1, 673, 263
Khathutshelo Cynthia Ramulifho	Strategic Executive Director: Corporate and Shared Services	01/12/2014	1, 686, 400
Tembeka Mhleka	Strategic Executive Director: Economic Development	01/08/2007	1, 833, 949
Mthobeli Solam Kolisa	Strategic Executive Director: Environmental Management Services	01/05/2013	1, 603, 753
Seoketsa Elias Kekana	Strategic Executive Director: Health and Social Development	01/01/2012	1, 737, 621
Amolemo Gaboipofe Mothoagae	Strategic Executive Director: Housing and Human Settlement	01/07/2013	1, 738, 896
Bruno Segopotso Seabela	Strategic Executive Director: Group Legal Services	22/05/2012	2, 028, 503

Name	Designation	Entry Date	Annual Remuneration (R)
Ngwako Doctor Tshwale	Strategic Executive Director: Sport and Recreational Services	09/09/2013	1, 463, 237
Pheko Ignatius Letlonkane	Strategic Executive Director: Roads and Transport	01/10/2013	1, 924, 503
Stephens Ramoage Notoane	Strategic Executive Director: Water and Sanitation	01/06/2016	1, 524, 579
Zukiswa Ncunzana	Strategic Executive Director: Research and Innovation	01/05/2012	1, 833, 949

The following table provides the disclosures on the remuneration package of councillors.

Table 70: Disclosures concerning councillors

Name	Designation	Entry Date	Actual remuneration (per annum) (R)
Kgosientso David Ramokgopa	Executive Mayor	02/11/2010	1,242,409
Audrey Winifred Morakane Ketlhoilwe Mosupyo	Speaker	23/05/2011	1,003,393
Swartland Jabulane Mabona	Chief Whip	21/05/2011	940,680
Jacob Mlandu Masango	Member of the Mayoral Committee	21/05/2011	940,680
Joshua John Ngonyama	Member of the Mayoral Committee	21/05/2011	940,680
Maidi Dorothy Mabiletsa	Member of the Mayoral Committee	21/05/2011	940,680
Maupe George Matjila	Member of the Mayoral Committee	21/05/2011	940,680
Nozipho Paulina Tyobeka-Makeke	Member of the Mayoral Committee	21/05/2011	940,680
Petunia Faith Mashaba	Member of the Mayoral Committee	23/05/2011	940,680
Rasello Terence Mashego	Member of the Mayoral Committee	23/05/2011	940,680
Subesh Pillay	Member of the Mayoral Committee	23/05/2011	940,680

Name	Designation	Entry Date	Actual remuneration (per annum) (R)
Thembekile Elizabeth Mmoko	Member of the Mayoral Committee	23/05/2011	940,680
Theresa-Eulanda Mabusela	Member of the Mayoral Committee	21/05/2011	940,680
Aaron Mokgale Maluleka	Chairperson	21/05/2011	877,968
Alphina Anna Ndlovana	Chairperson	23/05/2011	877,968
Daniel Mthetwa	Chairperson	23/05/2011	877,968
Derick Butinyana Mosito	Chairperson	23/05/2011	877,968
Dolly Caroline Ledwaba	Chairperson	23/05/2011	877,968
Joan Denise Muller	Chairperson	23/05/2011	877,968
John Ntuli	Chairperson	21/05/2011	877,968
Joseph Mkhize	Chairperson	23/05/2011	877,968
Molatelo Samuel Mashola	Chairperson	21/05/2011	877,968
Nokie Ben Makitla	Chairperson	21/05/2011	877,968
Nomthandazo Eveline Maseko	Chairperson	20/02/2012	877,968
Oscar Masarona Mathafa	Chairperson	21/05/2011	877,968
Ramphelane Johnny Bophelo Mohlala	Chairperson	23/02/2012	877,968
Rebone Mothaolo Mokgathadi	Chairperson	15/02/2012	877,968
Refiloe Johannah Kekana	Chairperson	21/05/2011	877,968
Selopi Peter Tlomatsane	Chairperson	23/05/2011	877,968

Name	Designation	Entry Date	Actual remuneration (per annum) (R)
Perpetua Lucy Lekgema	Councillor	23/05/2011	441,064
Selejane Moses Phasha	Councillor	04/12/2013	441,064
Gerhardus Cornelius Pretorius	Councillor	23/05/2011	441,064
Hendrik Frederik Fourie	Councillor	23/05/2011	441,064
Maria Gertruida Aucamp	Councillor	23/05/2011	441,064
Clive John Napier	Councillor	23/05/2011	441,064
Tessa Ernest	Councillor	23/05/2011	441,064
Thembi Alexia Sebata	Councillor	23/05/2011	441,064
Tshililo Victor Rambau	Councillor	23/05/2011	441,064
Sello Esrom Huma	Councillor	23/05/2011	441,064
Lucas Johannes Welmans	Councillor	23/05/2011	441,064
Johanna Christina Spoelstra	Councillor	23/05/2011	441,064
Stanley Desmond Rens	Councillor	23/05/2011	441,064
Yvonne Kwena Dzumba	Councillor	23/05/2011	441,064
Percy Ben Zitha	Councillor	21/05/2011	441,064
Karen Meyer	Councillor	23/05/2011	441,064
Daniel Gabriel Wannenburg	Councillor	23/05/2011	441,064
Peter Edward Millar	Councillor	23/05/2011	441,064

Name	Designation	Entry Date	Actual remuneration (per annum) (R)
Victoria Ann Bosch	Councillor	23/05/2011	441,064
Derek Lanchester Fleming	Councillor	23/05/2011	441,064
Elmarie Linde	Councillor	23/05/2011	441,064
Johan Jansen	Councillor	23/05/2011	441,064
Oupa Sandy Lebese	Councillor	23/05/2011	441,064
Lot Ratsela Mathibedi	Councillor	23/05/2011	441,064
Barend William Chapman	Councillor	23/05/2011	441,064
Catharina Dorothea Prinsloo	Councillor	23/05/2011	441,064
Magrietha Aucamp	Councillor	23/05/2011	441,064
Daniel Jacobus Erasmus	Councillor	23/05/2011	441,064
Albertus Martinus Van Niekerk	Councillor	23/05/2011	441,064
Makopo Arow Makola	Councillor	23/05/2011	441,064
Magate Daniel Sekonya	Councillor	23/05/2011	441,064
Maribishi Simon Marotola	Councillor	23/05/2011	441,064
Pieter Daniel Uys	Councillor	23/05/2011	441,064
Mahomed Essop	Councillor	23/05/2011	441,064
Maligana Edward Musehane	Councillor	23/05/2011	441,064
Dikeledi Johanna Lehobye	Councillor	23/05/2011	441,064

Name	Designation	Entry Date	Actual remuneration (per annum) (R)
Elizabeth Paulina Moselelane	Councillor	23/05/2011	441,064
Michael Mbitjana Buthelezi	Councillor	23/05/2011	441,064
Manakedi Elisa Mlotshwa	Councillor	23/05/2011	441,064
Thoko Ellen Guduza	Councillor	23/05/2011	441,064
Frederik Wilhelmus Van Wyk	Councillor	19/08/2015	441,064
John Willem Barendrecht	Councillor	23/05/2011	441,064
Anniruth Kissoonduth	Councillor	23/05/2011	441,064
Lenda Hunadi Kwenda	Councillor	23/05/2011	441,064
Daniel Jacobus Swanepoel	Councillor	23/05/2011	441,064
Benjamin Jacobus Wannenburg	Councillor	23/05/2011	441,064
Marubini Rosemary Ngobeni	Councillor	23/05/2011	441,064
Casper Nicolaas MC Donald	Councillor	23/05/2011	441,064
Refiloe Helen Motsepe	Councillor	21/05/2011	441,064
Chris Francois Bekker	Councillor	23/05/2011	441,064
Suzette Fourie	Councillor	23/05/2011	441,064
Sheila Modise	Councillor	21/05/2011	441,064
Mokgadi Maria Rallele	Councillor	28/05/2014	441,064
Marnette Sutherland	Councillor	21/05/2011	441,064

Name	Designation	Entry Date	Actual remuneration (per annum) (R)
Crezane Bosch	Councillor	01/11/2011	441,064
Simon Motsaneng	Councillor	23/05/2011	441,064
Elsabe Louw	Councillor	23/05/2011	441,064
Malesela Piet Marema	Councillor	21/05/2011	441,064
Mare-Lise Fourie	Councillor	01/08/2014	441,064
Frans Johannes Smith	Councillor	14/08/2014	441,064
Joseph Bafana Nkosi	Councillor	18/09/2014	441,064
Maatane Rosina Maake	Councillor	27/10/2014	441,064
Tumelo Faithful Thobakgale	Councillor	25/08/2015	441,064
Andrian Christopher Roos	Councillor	14/01/2016	441,064
Lesiba Johannes Lekgoathi	Proportional Councillor	20/08/2014	441,064
Maid Joyce Mabena	Proportional Councillor	23/05/2011	441,064
Mfana Abram Marobane	Proportional Councillor	23/05/2011	441,064
Sephiwe Phillip Montlha	Proportional Councillor	23/05/2011	441,064
Machuene Joyce Boshomane	Proportional Councillor	23/05/2011	441,064
Amos Matome Mampheko	Proportional Councillor	21/05/2011	441,064
Nathaniel Rabasotho Masupha	Proportional Councillor	21/05/2011	441,064
Mmametja Ida Sebopa	Proportional Councillor	23/05/2011	441,064

Name	Designation	Entry Date	Actual remuneration (per annum) (R)
Jonathan Kleinbooi Baloyi	Proportional Councillor	21/05/2011	441,064
Makgodu Jacob Aphane	Proportional Councillor	21/05/2011	441,064
Poppy Letty Maseko	Proportional Councillor	21/05/2011	441,064
Duduzile Elsa Majola	Proportional Councillor	21/05/2011	441,064
Apson Sepadi Makaung	Proportional Councillor	21/05/2011	441,064
Titos Khalo	Proportional Councillor	21/05/2011	441,064
Jane Tebogo Makgatho	Proportional Councillor	21/05/2011	441,064
Resemate William Baloyi	Proportional Councillor	21/05/2011	441,064
Nontobeko Joyce Komani	Proportional Councillor	21/05/2011	441,064
Christian Hendrik Boshoff	Proportional Councillor	21/05/2011	441,064
Daniel Laki Mojela	Proportional Councillor	21/05/2011	441,064
Mankoto Levy Lesufi	Proportional Councillor	21/05/2011	441,064
Sophie Thembi Sithole	Proportional Councillor	21/05/2011	441,064
Victor Phitisi Mabelane	Proportional Councillor	21/05/2011	441,064
Kgomotso Rachael Mokonyane	Proportional Councillor	21/05/2011	441,064
Nkele Doreen Malapane	Proportional Councillor	21/05/2011	441,064
Joel Malebogo Sindane	Proportional Councillor	21/05/2011	441,064
Absalom Setumo Boroto	Proportional Councillor	21/05/2011	441,064

Name	Designation	Entry Date	Actual remuneration (per annum) (R)
Johannes Jacobus Coetzee	Proportional Councillor	21/05/2011	441,064
John Buti Masombuka	Proportional Councillor	21/05/2011	441,064
Juanita Du Plooy	Proportional Councillor	21/05/2011	441,064
Masindi Gertrude Rebecca Morudu	Proportional Councillor	21/05/2011	441,064
Daniel Chauke	Proportional Councillor	21/05/2011	441,064
Joseph Sibaya	Proportional Councillor	21/05/2011	441,064
Dikeledi Wilhemina Mosime	Proportional Councillor	21/05/2011	441,064
Lettah Bafedile Dlamini	Proportional Councillor	21/05/2011	441,064
Roelof Petrus Fourie	Proportional Councillor	21/05/2011	441,064
April Daniel Mabona	Proportional Councillor	21/05/2011	441,064
Francina Maredi	Proportional Councillor	21/05/2011	441,064
Dorcas Mathe	Proportional Councillor	21/05/2011	441,064
Joyce Ngazimbe Sibanyoni	Proportional Councillor	21/05/2011	441,064
Barend Hendrik Josephes Erasmus	Proportional Councillor	21/05/2011	441,064
Modisa Jason Jacobs	Proportional Councillor	21/05/2011	441,064
Christopher Mantual Mahlase	Proportional Councillor	21/05/2011	441,064
Moetjie Violet Motsei	Proportional Councillor	21/05/2011	441,064
Nomvula Lesiah Matenjwa	Proportional Councillor	21/05/2011	441,064

Name	Designation	Entry Date	Actual remuneration (per annum) (R)
Elsie Shibe Tshabalala	Proportional Councillor	21/05/2011	441,064
Phumzile Brian Hlatshwayo	Proportional Councillor	21/05/2011	441,064
Magdeline Pretty Sebotsane	Proportional Councillor	21/05/2011	441,064
Naome Salphina Katake	Proportional Councillor	21/05/2011	441,064
Marika Elizabeth Kruger Muller	Proportional Councillor	21/05/2011	441,064
Joyce Mangalane Ngobeni	Proportional Councillor	21/05/2011	441,064
Tsung Wei Lee	Proportional Councillor	21/05/2011	441,064
Phillip Andries Nel	Proportional Councillor	20/01/2016	441,064
Mosadisadi Christina Kekana	Proportional Councillor	11/11/2015	441,064
Rachel Kedibone Mathebe	Ward Councillor	20/05/2011	441,064
Lucas Martins Ngobeni	Ward Councillor	21/05/2011	441,064
Martha Senwelo Mareme	Ward Councillor	21/05/2011	441,064
Isak Jacobus Pietersen	Ward Councillor	21/05/2011	441,064
Mokganya Ramohoebo	Ward Councillor	21/05/2011	441,064
Esther Ntombifuthi Nhlapo	Ward Councillor	21/05/2011	441,064
Thobats Peter Matshela	Ward Councillor	21/05/2011	441,064
Catharina Elizabeth Strydom	Ward Councillor	21/05/2011	441,064
Fikile Emily Nkosi	Ward Councillor	21/05/2011	441,064

Name	Designation	Entry Date	Actual remuneration (per annum) (R)
Peter Sutton	Ward Councillor	21/05/2011	441,064
Alfred Khala Phahlane	Ward Councillor	21/05/2011	441,064
Reyaan Uys	Ward Councillor	21/05/2011	441,064
Lobisa Pretty Moganedi	Ward Councillor	21/05/2011	441,064
Hilda Weber	Ward Councillor	21/05/2011	441,064
Solomon Bongani Phiri	Ward Councillor	21/05/2011	441,064
Nkabutsana Phillemon Mogoboya	Ward Councillor	21/05/2011	441,064
Jabulani Paulus Rammushi	Ward Councillor	21/05/2011	441,064
Mamosa Betty Ringane	Ward Councillor	21/05/2011	441,064
Letlotlo Precious Marole	Ward Councillor	21/05/2011	441,064
Funny Joshua Mbele	Ward Councillor	21/05/2011	441,064
Mmina-Tau Seabelo Marishane	Ward Councillor	21/05/2011	441,064
Wildri Dennis Peach	Ward Councillor	21/05/2011	441,064
Susan Malekgwabana Ngobeni	Ward Councillor	21/05/2011	441,064
Cilliers Brink	Ward Councillor	21/05/2011	441,064
Lema Godfrey Motau	Ward Councillor	21/05/2011	441,064
Joel Kgomotso Masilela	Ward Councillor	21/05/2011	441,064
Jonathan Daniel Mashego	Ward Councillor	21/05/2011	441,064

Name	Designation	Entry Date	Actual remuneration (per annum) (R)
Joseph Morake Mogale	Ward Councillor	21/05/2011	441,064
Darryl Moss	Ward Councillor	21/05/2011	441,064
Mosima Maria Napo	Ward Councillor	21/05/2011	441,064
Alfred Butiki Ncube	Ward Councillor	21/05/2011	441,064
Felistus Cheeky Ndlovu	Ward Councillor	21/05/2011	441,064
Maqoba Abel Ngwenya	Ward Councillor	21/05/2011	441,064
Hendrik Jacobus Nortje	Ward Councillor	21/05/2011	441,064
Abdulqadir Osman	Ward Councillor	21/05/2011	441,064
Shane Maas	Ward Councillor	21/05/2011	441,064
Magane Magic Mampuru	Ward Councillor	21/05/2011	441,064
Karel Johannes Minnie	Ward Councillor	21/05/2011	441,064
Doris Swabi Lindiwe Mnguni	Ward Councillor	21/05/2011	441,064
Nontsikelelo Lucia Mokhotho	Ward Councillor	21/05/2011	441,064
Alexander Willem Frederik Middelberg	Ward Councillor	21/05/2011	441,064
Siobhan Muller	Ward Councillor	21/05/2011	441,064
Arthur August Ngwezi	Ward Councillor	19/08/2013	441,064
Daddy Cedrick Tsela	Ward Councillor	21/05/2011	441,064
Phillipus Andries Van der Walt	Ward Councillor	23/05/2011	441,064

Name	Designation	Entry Date	Actual remuneration (per annum) (R)
Cameron Brighton Ngwenya	Ward Councillor	15/02/2012	441,064
Tiyiselani Joseph Babane	Ward Councillor	12/06/2012	441,064
Christiaan Mauritz van Den Heever	Ward Councillor	23/10/2012	441,064
Eugenia Moetedi Thobejane	Ward Councillor	09/11/2012	441,064
Lourens Abraham Erasmus	Ward Councillor	14/02/2013	441,064
Selata Nkwane	Ward Councillor	17/12/2015	441,064
Elma Johanna Nel	Youth Councillor	01/06/2014	441,064
Gert Petrus Visser	Youth Councillor	16/09/2013	441,064
Isak Petrus Du Plooy	Youth Councillor	25/06/2014	441,064
Michael Mkhari	Youth Councillor	25/06/2014	441,064
Michael Stephen Shackleton	Youth Councillor	01/03/2014	441,064
Yolanda Duvenage	Youth Councillor	25/06/2014	441,064
Zwelibanzi Charles Khumalo	Youth Councillor	01/01/2014	441,064

SERVICE EXCELLENCE

Over 800 nominations of well-deserving nominees across Tshwane were received. On 1 September 2015 a certification ceremony was held to congratulate and award all nominees a certificate of recognition. The Tshwane Service Excellence Awards gala dinner was held on the 2nd of October 2015 as part of the national Public Service Month drive.

Table 71: Service Excellence Awards

Category	Name of the Person	Department
Trade and manual labour	Anele Ngubegusho	Service Delivery
Women in a technical field	Keleabetswe Tlhoale	City Planning
Project management	Hercules Clinic Team	Health and Social Development
Outstanding supervisor	Strike Rhulani Maluleka	Economic Development
Customer service	Tshilidzi Nefshifhefhe	Health and Social Development
Innovation	City Sustainability Unit	Office of the Executive Mayor
Best professional/specialist	Tshireletso More	Region 4
Administrative and auxiliary support	Madelaine Prinsloo	Economic Development
Heroes award	Samuel Mashamaite	Region 3
Best Department	City Sustainability Unit	Office of the Executive Mayor
Best Region	Region 6	Region 6

5 FINANCIAL PERFORMANCE

The purpose of this section of the report is to outline the financial performance of the City of Tshwane in the 2015/16 financial year. The financial results presented in this chapter or the report were audited by the AGSA.

1 INTRODUCTION

Since the recent economic crisis, the global economy has been on a slow road to recovery. We are still experiencing difficult economic conditions not only in South Africa but across the globe. Global growth disappointed again in 2015, slowing to between 2,4% (according to the World Bank) and 3,1% (according to the IMF). Similarly, South Africa's growth forecast was adjusted downward by the IMF to 0,6%. Clearly, this is an even greater impetus for local government across the globe to mitigate the effects of these dynamics within the indisputable context of cities as core economic centres and drivers of nation states.

In Tshwane, the picture looks slightly rosier. Although we have averaged at 4,0% so far this decade, which is higher than the national average over the period concerned, our growth estimate currently stands at 2,4%. We are confident that the new Protection of Investment Bill, which aims to balance the rights and obligations of investors and government while also preserving the right of government to regulate the interests of the public, will contribute towards enhanced levels of investment in the country. The City of Tshwane is providing impetus to this national initiative through the implementation of its own Development Investment Incentives Policy, which aims to attract and catalyse investment in the Tshwane region through the provision of incentives to qualifying investment projects so as to support economic growth and job creation.

The City of Tshwane remains committed towards ensuring the programmatic implementation of the principles espoused by the Freedom Charter, which informed Tshwane Vision 2055. It was prudent for us to ensure that the 2015/16 Medium-term Revenue and Expenditure Framework would be, in part, shaped by the ever-changing global and local macroeconomic environment that the City finds itself in.

Tshwane Vision 2055, whose outcomes are anchored on the principles of the Freedom Charter, was our point of departure for the 2015/16 MTREF, while simultaneously ensuring that the City would be fiscally sustainable in the future. The prudent management of public finances, which represent our shared wealth, was central to the City's operations. In order to achieve this, the City embarked on its balance sheet restructuring and optimisation programme to identify alternative sources of revenue, improve operational efficiencies, restructure our asset portfolio and explore alternative funding models in support of exponentially growing infrastructure demands.

The 2015/16 MTREF reflected the reality of the budgetary pressures at the time. The following budget guidelines directly informed the compilation of the budget:

- Produce a surplus budget and build cash reserves
- Redirect resources towards mayoral priorities
- Ensure that ongoing expenditure of departments and entities is funded with ongoing revenues and follow up any reduction in revenues with a reduction in expenditure
- Critically review departments' current activities and redirect funds towards priority areas
- Maintain all assets at a level adequate to protect capital investment and minimise future maintenance and replacement costs
- Explore alternative options of providing services, thereby ensuring value for money

The following strategies and measures were implemented to ensure sustainability:

- Budget policy
- Revenue Enhancement Strategy
- Budget principles and guidelines
- Intervention initiatives for cash flow management
- Balance sheet restructuring and optimisation
- Revenue, Expenditure and Performance Committee (REPCO)
- Joint Operating Committee (JOC) for improving revenue collection and synergising revenue collection across the city

The long-term financial strategy will ensure that the City of Tshwane is financially sustainable and will respond to the City's Growth and Development Strategy policies, priorities and infrastructure needs.

Maintaining the financial viability of the City of Tshwane is critical to the achievement of service delivery and economic objectives. Revenue generation is fundamental in strengthening the institutional environment for the delivery of basic municipal services and infrastructure. The capacity for generating revenue is challenged by poverty and unemployment in the municipal area.

To address the collection challenge, the City embarked on an accelerated revenue collection programme. The Joint Operating Committee (JOC) for Revenue was established to improve revenue collection and synergise revenue collection across the city.

In terms of the MFMA, a credible and funded budget must be based on realistic estimates of revenue that are consistent with budgetary resources and collection history. The goal of strengthening the link between the government's priorities and spending plans is to enhance service delivery that aims to improve the quality of life

of all. In 2015/16, the City once again explored ways of generating revenue through the Revenue Enhancement Strategy and through balance sheet restructuring and optimisation.

It is our responsibility to ensure that the annual financial statements of the City of Tshwane present the financial position of the City, its financial performance and cash flows for the year as required by the South African Standards of Generally Recognised Accounting Practice and the Municipal Finance Management Act, Act 56 of 2003. The management and leadership of the City played a significant role to fulfil this mandate and responsibility, thereby also managing limited resources and challenging economic conditions while focusing on effective service delivery.

2 ACCOUNTING FRAMEWORK FOR 2015/16

During 2015/16, no considerable changes to the accounting framework had to be implemented, although new accounting standards became effective on 1 July 2015.

The following standards were approved by the Accounting Standards Board, but the Minister of Finance has not yet determined an effective date. However, municipalities could use it to disclose information on their financial statements.

Table 72: GRAP standards

GRAP standard	Description
GRAP 18	Segment reporting
GRAP 20	Related parties
GRAP 32	Service concession arrangements: Grantor
GRAP 108	Statutory receivables
IGRAP 17	Service concession arrangements where a grantor controls a significant residual interest in an asset
GRAP 16 (as amended)	Investment property

GRAP standard	Description
GRAP 17 (as amended)	Property, plant and equipment
GRAP 109	Accounting by principals and agents
GRAP 21 (as amended)	Impairment of non-cash-generating assets
GRAP 26 (as amended)	Impairment of cash-generating assets
Directive 12	Selection of an appropriate reporting framework by public entities
Directive 11	Changes in measurement bases following the initial adoption of Standards of GRAP

The impact and effect of the implementation of these new and/or revised accounting standards on the financial statements are discussed in detail in the notes to the financial statements, but in most instances the implementation of these standards will lead to better and more disclosures.

3 REVIEW OF OPERATING RESULTS

The 2015/16 budget of the City of Tshwane was approved by Council on 25 May 2015 and the adjustment budget was approved by Council on 25 February 2016.

Details of the 2015/16 operating results and the classification of revenue and expenditure are included in the Statement of Financial Performance.

The overall operating results for the financial year ending 30 June 2016 were as follows:

Table 73: Overall operating results

Description	Adjusted budget 2016 Municipality R'000	Adjusted budget 2016 Group R'000	Actual 2016 Municipality R'000	Actual 2016 Group R'000	Variance actual/ adjustmentbudget Municipality %	Actual 2015 restated Municipality R'000	Actual 2015 restated Group R'000
Opening accumulated surplus	-	-	18 114 413	18 157 636		17 353 518	17 396 290
Operating revenue	29 182 452	29 089 769	28 016 344	27 969 867	3.99	25 714 192	25 684 438
	29 182 452	29 089 769	46 130 757	46 127 503		40 128 933	43 080 728
Operating expenditure	26 030 519	26 631 158	27 705 405	27 661 239	6.43	24 948 512	24 918 307
Sundry transfers *	-	-	3 588	3 588		4 785	4 785
Closing accumulated surplus	3 151 933	2 458 611	18 421 764	18 462 676		18 114 413	18 157 636
	29 182 452	27 734 074	46 130 757	42 968 261		43 067 710	43 080 728

* Sundry transfers consist of transfers from reserves such as the Self-insurance Reserve and COID Reserve.

For the Municipality, the revenue represented 96,01% of the total adjustment budget. For the Group, the revenue represented 96,15% of the total adjustments budget.

Service charges (92,6%) and assessment rates (102,8%) were on target while the other revenue line items were between 67,8% and 198,3% of the budget (eg rental of facilities and equipment equalled 20,0%; licences and permits equalled 75,0%). Capital grant revenue ended on 99,8% of the budget, and operational grant revenue on 99,0%. Fines ended on 159,0% of the budget, which was consistent with the performance of prior years.

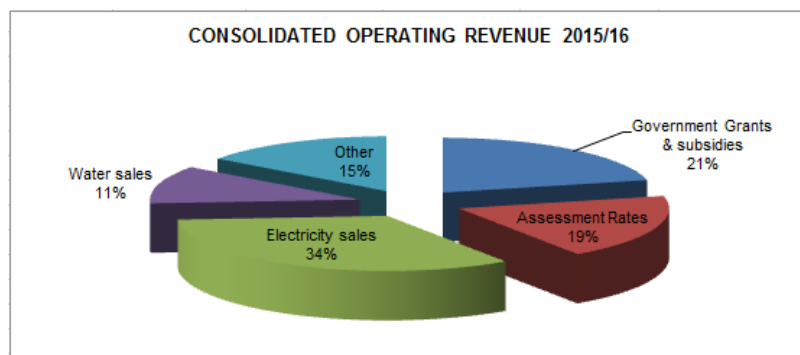
The actual net expenditure of the Municipality compared to the adjustment budget represented 106,43%, which was an over expenditure of 6,43%. The actual net expenditure of the Group compared to the adjustments budget represented 104,0%.

Contracted services ended on 114,0% of the budget and the contribution to bad debt provision ended on 149,0%. Collection cost ended on 99,0% of the budgeted expenditure, whereas depreciation expense ended on 131,3% of the budgeted amount, contributing to the overall over expenditure.

3.1 OPERATING REVENUE

The following graph breaks down the largest categories of revenue.

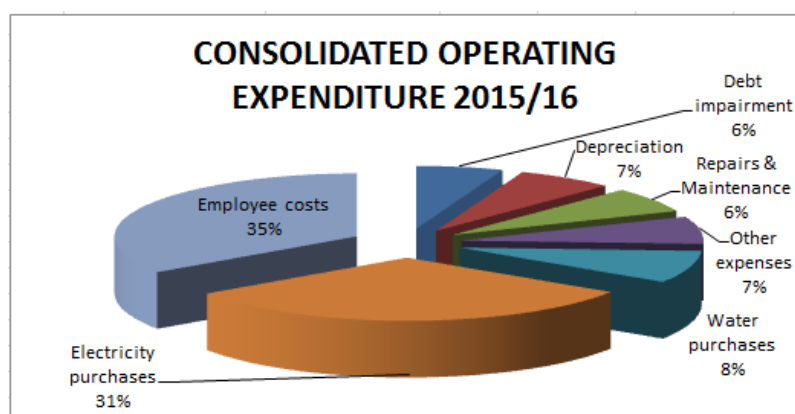
Figure 21: Consolidated operating revenue



3.2 OPERATING EXPENDITURE

The graph below breaks down the expenditure group.

Figure 22: Consolidated operating expenditure



3.2.1 REMUNERATION

The actual expenditure on remuneration expressed as a percentage of the total expenditure for the Municipality showed an increase from 26,22% in 2014/15 to 27,11% in 2015/16. This increase of 0,89% was due to an increase of 14,79% in remuneration, compared to an increase of 11,05% in total expenditure. For the Group, the remuneration as a percentage of total expenditure increased from 26,72% to 27,63% since 2014/15.

As for the Restructuring Grant, the target for remuneration as a percentage of revenue was 33%. The City was well below the ceiling with a percentage of 27,63% (2015: 26,72%) for the Group.

Table 74: Remuneration

Description	2015/16		2014/15 restated	
	Group R'000	Municipality R'000	Group R'000	Municipality R'000
Total operating expenditure	27 661 239	27 705 405	24 918 307	24 948 512
Total operating revenue	27 969 867	28 016 344	25 684 438	25 714 192
Employee remuneration	7 642 374	7 510 198	6 657 199	6 540 658
Ratio: % of total expenditure	27.63%	27.11%	26.72%	26.22%
Ratio: % of total revenue	27.32%	26.81%	25.92%	25.44%
% growth in remuneration	14.79%	14.23%	3.46%%	3.40%

3.3 GOVERNMENT GRANTS AND SUBSIDIES

The following table and graph shows the amounts received in terms of grants, contributions and subsidies from the national and provincial spheres of government, which amounts were included in the total revenue figure (refer to Note 27 of the consolidated annual financial statements for the details of each grant):

Table 75: Government grants and subsidies

Description	2015/16		2014/15 restated	
	Group R'000	Municipality R'000	Group R'000	Municipality R'000
Equitable Share	1 654 389	1 654 389	1 375 518	1 375 518
Primary Health Care Subsidy	42 085	42 085	39 967	39 967
Emergency Management Subsidy	59 687	59 567	56 683	56 683
Equitable Share Fuel Levy	1 395 849	1 395 849	1 352 410	1 352 410

Description	2015/16		2014/15 restated	
	Group R'000	Municipality R'000	Group R'000	Municipality R'000
Municipal Human Settlement Capacity Grant	28 215	28 215	31 087	31 087
PTNOG	160 259	160 259	138 000	138 000
Human Settlement Development: Top Structures	86 404	86 404	-	-
Other operational grants #	89 938	89 938	87 820	87 820
Capital grants and donations	2 452 489	2 452 489	2 511 974	2 511 974
	5 969 315	5 969 315	5 593 459	5 593 459

Other operational grants included LG SETA, Finance Management Grant, OPCA, Revenue Enhancement, EPWP, etc.

4 FINANCIAL RATIOS, NORMS AND INTERPRETATION

Local government uses different financial ratios and norms to assess its performance and to set benchmarks for improvement over time when compared to other entities. Financial ratios and norms are further used to assess and compare the financial health and performance of local government. Various categories of ratios and norms exist and cover various aspects of local government's finances, such as financial position, financial performance and cash flow.

The following categories will be used to analyse and interpret the financial statements of the City of Tshwane:

- **Financial position**

The ratios used here measure the management of assets, debtors, liquidity, liability and sustainability.

- **Financial performance**

The ratios used here measure efficiency, revenue and expenditure management, as well as the management of material losses, ie distribution losses.

- **Cash flow**

The ratios used here measure the efficient management of cash and debt.

4.1 FINANCIAL POSITION RATIOS

The table below sets out the ratios for financial position.

Table 76: Financial position

Measure	Financial ratio and norm	Norm/ benchmark	GROUP	GROUP	MUNICIPALIT Y	MUNICIPALIT Y
			2016	2015 restated	2016	2015 Restated
Asset management	Capital expenditure to total expenditure (%)	10% – 20 %	14.42	16.63	14.40	16.62
	Impairment of PPE (including investment property and intangible assets) (%)	0%	0.00	0.38	0.00	0.38
	Repairs and maintenance as % of PPE and investment property (%)	8%	4.63	4.77	4.61	4.73
	Borrowing to assets (PPE) (%)	< 50 %	30.40	31.64	30.42	31.65
Debtor management	Collection rate (%)	95%	97.81	94.54	93.79	95.29
	Bad debts written off as % of bad debt provision (%)	100%	5.71	8.11	6.03	8.56
	Net debtor days (days)	30 days	32	54	49	53

Measure	Financial ratio and norm	Norm/ benchmark	GROUP	GROUP	MUNICIPALIT Y	MUNICIPALIT Y
			2016	2015 restated	2016	2015 Restated
	Growth in total gross debtors (%)	Management interpretation	11.64	5.88	10.49	5.55
	Growth in total net debtors (%)	Management interpretation	-1.88	-1.64	-2.55	-0.25
	Growth in total net consumer debtors (%)	Management interpretation	2.62	-0.91	2.77	-0.78
	Net debtors to total annual operating revenue	Management interpretation	16.86	18.60	16.32	18.67
Liquidity management	Cash/cost coverage ratio (excluding unspent conditional grants) (months)	1 – 3 months	0.51	0.23	0.50	0.20
	Current ratio	Between 1.5:1 and 2:1	0.61	0.69	0.60	0.69
	Acid test ratio	1:1	0.54	0.62	0.54	0.62
	Solvability ratio	2:1	1.80	1.93	1.80	1.93
	Inventory turnover	Between 2 and 3	3.15	2.49	3.15	2.49
	Liquidity ratio	> 0.2	7.73	11.89	7.77	12.95
	Capital cost (interest paid and redemption) as % of total operating revenue	6 % – 8 %	9.23	9.29	9.19	9.25
	Capital cost as % of total operating expenditure	6 % – 8 %	9.36	9.62	9.32	9.58

Measure	Financial ratio and norm	Norm/ benchmark	GROUP	GROUP	MUNICIPALIT Y	MUNICIPALIT Y
			2016	2015 restated	2016	2015 Restated
	Debt (total borrowing) to total operating revenue (including grants)	45%	39.64	39.54	39.57	40.71
	% debt coverage (debt service repayment to operating revenue less grants)	1.15 to 1.35 times				
	Gearing ratio* (total long-term debt to total revenue less grants)	25% – 50%	50.40	52.12	50.28	52.03
	Financing to capital expenditure	Management interpretation	0.27	0.26	0.27	0.26
Sustainability	Level of cash-backed reserves (net assets – accumulated surplus) (%)	100%	411.06	169.91	402.22	150.25

* According to credit-rating companies, the benchmark for local government is a ratio of less than 50%.

4.2 FINANCIAL PERFORMANCE RATIOS

The ratios on financial performance for the financial year 2015/16 are indicated on the table below.

Table 77: Financial performance

Measure	Financial ratio and norm	Norm/ benchmark	GROUP	GROUP	MUNICIPALITY	MUNICIPALITY
			June 2016	June 2015 restated	June 2016	June 2015 restated
Efficiency	Net operating surplus margin	Equal to or greater than 0%	1.10	-0.48	-4.29	-0.48

Measure	Financial ratio and norm	Norm/ benchmark	GROUP	GROUP	MUNICIPALITY	MUNICIPALITY
			June 2016	June 2015 restated	June 2016	June 2015 restated
	Net surplus/(deficit) electricity	Between 0% and 15 %	13.43	11.65	13.43	11.65
	Net surplus/(deficit) water and sanitation	Equal to or greater than 0%	32.91	31.65	32.91	31.65
Distribution losses	Electricity distribution losses (%): Municipality	Between 7% and 10%	16.05	14.25	16.05	14.25
	Water distribution losses (%): Municipality	Between 15% and 30%	18.94	20.70	18.94	20.70
Revenue management	Growth in number of active consumer accounts	No norm proposed by NT	-5.52	1.90	-5.52	1.90
	Revenue growth (%)	Rate of CPI	12.78	6.28	11.24	6.34
	Revenue growth (%) – excluding capital grants	Rate of CPI	14.49	5.02	12.77	5.09
	Growth in grants	Rate of CPI	6.72	12.46	6.71	12.46
	Growth in service charges	Rate of CPI	9.53	42.77	9.62	8.99
Expenditure management	Creditors payment period (trade creditors) (days)	30 days	57	49	55	49
	Irregular, fruitless and wasteful and unauthorised expenditure to total operating expenditure	0%	8.31	7.11	7.82	7.04

Measure	Financial ratio and norm	Norm/ benchmark	GROUP	GROUP	MUNICIPALITY	MUNICIPALITY
			June 2016	June 2015 restated	June 2016	June 2015 restated
	Remuneration as % of total operating expenditure	Between 25% and 40%	27.63	26.72	26.07	26.22
	Contracted services as % of total operating expenditure	Between 2% and 5%	11.10	12.21	10.62	12.17
	Operating expenditure growth (%)	Rate of CPI	11.01	9.65	15.46	9.75
	Capital expenditure growth (%)	Rate of CPI	-3.56	-2.69	-3.56	-2.69
	Repairs and maintenance to annual operating revenue	Budget policy	5.37	5.38	5.33	5.33
Grant dependency	Own funded capital expenditure (internally generated funds and borrowing) to total capital expenditure (%)	No norm proposed by NT	34.30	36.27	34.30	36.27
	Own funded capital expenditure (internally generated funds) to total capital expenditure (%)	No norm proposed by NT	4.19	2.54	4.19	2.54
	Own source revenue to total operating revenue (including agency revenue) (%)	No norm proposed by NT	120.35	121.52	120.61	121.49

* According to credit-rating companies, the benchmark for local government is a ratio of less than 50%.

4.3 CASHFLOW RATIOS

The table below reflects the cashflow ratios for the financial year 2016/16.

Table 78: Cashflow ratios

Measure	Financial ratio and norm		GROUP	GROUP	MUNICIPALITY	MUNICIPALITY
			June 2016	June 2015 restated	June 2016	June 2015 restated
Efficiency	Cashbook balance (plus short-term loans) to total operating revenue # (%)	Management policy	5.39	2.99	5.28	2.74
	Cash to interest coverage	1:1	3.52	3.13	3.53	3.13
	Debt to cash ratio	1:1	2.77	3.35	2.76	3.36
	Debt to equity (%)	1:1 or 100%	103.72	91.25	103.25	91.41
	Interest cost coverage	2	0.08	0.10	0.07	0.06
	Number of days total cash held (cash and investments)	>45 days	108	70	106	64
	Number of days total cash held (operating cash)(less encumbered investments, loans and grants)	>45 days	96	50	94	44
	Number of days cash on hand (less encumbrment and non-cash expense)	90 – 180 days				
	Cash and cash equivalents		R 95,219,108	R 97,558,776	R 75,890,080	R 57,158,390

According to credit-rating companies, the benchmark for local government is a ratio of less than 5%.

5 ANALYSIS OF FINANCIAL POSITION AS AT 30 JUNE 2016

The following table provides an assessment of the assets and liabilities of the Group as at 30 June 2016.

Table 79: Group

Type	June 2016	June 2015	Variance (R)	Variance
	R'000	restated R'000	R'000	(%)
Current assets	5 574 230	4 930 011	644 219	13.07
Non-current assets	36 536 899	33 284 125	3 252 774	9.77
Total assets	42 111 129	38 214 136	3 896 993	10.20
Current liabilities	9 173 989	7 141 095	2 032 894	28.47
Non-current liabilities	14 217 456	12 661 984	1 555 472	12.28
Total liabilities	23 391 445	19 803 079	3 588 366	18.12
Net assets	18 719 684	18 411 056	308 628	1.68

Current assets increased as a result of a considerable increase in cash and cash equivalents (due to sinking fund investments), other receivables and consumer debtors. Current liabilities increased mostly due to an increase in lease liabilities, payables and VAT. Non-current liabilities increased due to an increase in long-term loans, post-employee benefit obligation and rehabilitation provisions as well as the interest rate swap liability and the accounting for service concession arrangements.

6 CAPITAL EXPENDITURE AND FINANCING (MUNICIPALITY ONLY)

The Municipality's original approved capital expenditure budget for 2015/16 amounted to R3 856 566 482, which was amended to R3 995 193 296 in total by means of an adjustments budget approved by Council on 24 March 2016. This resulted in an increase of R138 626 814, primarily to address transfers from the operating budget, rollovers and additional allocations of external funding.

Council funding increased with R140 900 million, owing to requests for inter alia:

- CBD and Surrounding Areas (BRT) (Transport Infrastructure) R107 400 million
- Purchase of vehicles, R21 million
- Insurance replacements (CTMM contribution), R10 million
- Handheld terminals, R3 700 million

The table below reflects the net increase/decrease in the various funding sources.

Table 80: Increase/decrease in funding sources

Funding source description	Original budget Municipality 2015/16	Adjusted budget Municipality 2015/16	Increase/ (Decrease)
	R	R	R
Council funding	30 000 000	170 945 227	140 945 227
Public Transport Infrastructure and Systems Grant (PTIS)	770 609 000	770 609 000	-
Neighbourhood Development Partnership Grant (NDPG)	100 000 000	62 619 000	(37 381 000)
Urban Settlements Development Grant (USDG)	1 500 683 000	1 523 550 333	22 867 333
Integrated National Electrification Programme (INEP)	37 000 000	37 000 950	950
Capital Replacement Reserve	5 000 000	13 805 515	8 805 515
Energy Efficiency Demand Side Management (EEDSM)	0	0	0
Financial Management Grant (FMG)	250 000	250 000	-
Community Library Services (CLS)	7 551 000	7 551 000	-
Borrowings	1 200 000 000	1 200 000 000	-
Public contributions and donations	150 000 000	150 000 000	-
Social Infrastructure Grant	33 000 000	38 682 211	5 682 211

Funding source description	Original budget Municipality 2015/16	Adjusted budget Municipality 2015/16	Increase/ (Decrease)
	R	R	R
Gautrans Grant	0	0	-
LGSETA discretionary grant	18 406 800	18 406 800	-
Other contributions	4 066 682	1 773 260	(2 293 422)
TOTAL	3 856 566 482	3 995 193 296	138 626 814

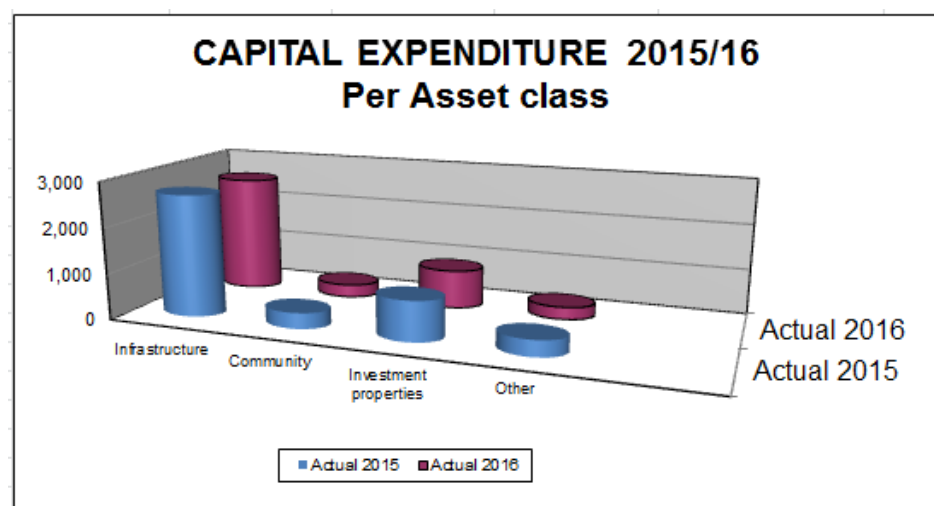
Actual expenditure incurred during the period 1 July 2015 to 30 June 2016 as indicated in the table below amounted to R3 968 594 186 or 99,3% measured against the adjusted budget.

Table 81: Actual capital expenditure

Actual capital expenditure according to asset class – Municipality			
Type of asset	Actual 2016	Actual 2015	Actual 2014
	R	R	R
Infrastructure	2 574 971 805	2 664 184 514	3 020 198 537
Community	281 078 062	346 202 454	532 358 032
Investment properties	843 227 703	873 235 026	449 956 618
Other assets	139 409 324	231 175 592	224 292 781
Specialised vehicles	-	119 997	-
Intangibles	129 907 293	-	1 776 542
TOTAL	3 968 594 186	4 114 917 583	4 228 582 510

The graph below shows the distribution of the property, plant and equipment according to type.

Figure 23: Capital expenditure per asset class



The above-mentioned assets were financed from the sources reflected below.

Table 82: Source of funding for assets

Actual capital expenditure per source of finance – Municipality			
Source of finance	Actual 2016	Actual 2015	Actual 2014
	R	R	R
External loans	1 194 839 429	1 387 942 005	1 493 166 332
Surplus cash	166 417 952	104 463 984	526 849 135
Public contributions/donations	155 126 697	57 530 022	93 818 354
National government transfers and grants	2 405 478 294	2 551 806 060	2 097 657 610
Provincial government transfers and grants	46 731 814	8 721 122	17 091 079
Other transfers and grants	-	4 454 390	-
TOTAL	3 968 594 186	4 114 917 583	4 228 582 510

When comparing the actual expenditure to the budgeted expenditure, the financing source of capital projects played an important role. The funding from own sources, which were primarily reserves and an external financing fund (external loans taken up), could largely influence depreciation, the raising of loans and the cash-flow of the municipality.

7 LONG-TERM DEBT AND ACCUMULATED SURPLUS

For the Municipality, long-term debt (external loans and lease liabilities) increased from R10 260 billion to R10 942 billion (R682 100 million increase) during the period under review. This was a result of drawdowns on long-term loans of R1 200 billion counteracted by the repayment of loans of R514 634 million. For the Group, the long-term debt increased from R10 262 billion to R10 944 billion (R681 800 million increase).

For the Municipality, the period under review was closed with an accounting accumulated surplus of R18 422 billion compared to R18 114 billion at the end of 2015. This increase of R307 350 million was the result of a surplus from operations (ie the difference between the total revenue and the total expenditure) for the year.

For the Group, the period under review closed with an accounting accumulated surplus of R18 463 billion compared to the R18 158 billion of 2015.

8 FINANCIAL SUSTAINABILITY

Tshwane Vision 2055 captures the aspirations of Tshwane's residents but, most importantly, captures Tshwane as the capital city of South Africa, whose citizens enjoy a high quality of life, have access to social, economic and enhanced political freedoms, and are partners in the development of the African capital city of excellence. Tshwane Vision 2055 is about the future capital city that will be liveable, resilient and inclusive. It is also about ensuring that the future capital city's financial sustainability remains stable and robust through the following:

- 1) Sustainable alternative revenue streams;
- 2) Improved operational efficiencies;
- 3) Improved and secured long-term liquidity status; and
- 4) Improved credit rating.

The City's balance sheet restructuring and optimisation process was beginning to bear fruit. This included the following projects in progress:

- The refurbishment of the Pretoria West and Rooiwal Power Stations;
- The release of strategic land parcels, including the land auction project and land that will be issued through a RFP process;
- The optimisation of the City of Tshwane's real estate, including market-related leases and disposals;
- The business re-engineering of Wonderboom Airport;
- Efficient supply chain management, including ensuring value for money in procurement;
- The reduction of leave as a liability on the City's balance sheet;
- The creation and implementation of a diversified funding strategy, eg the Tshwane House PPP and various sustainability initiatives led by the private sector and City initiatives financed by the private sector, such as the West Capital development;
- The exploration of borrowing from both commercial and development institutions, such as the DBSA, European Investment Bank, the French Development Agency and the Danish Development Agency.

The focus of the 2015/16 financial year was to ensure that the City was financially viable and sustainable. This required keeping spending levels within prudent financial limits, necessitating re-alignment and addressing basic service delivery. The IDP remained the implementation framework for service delivery interventions, good governance and a mobilisation platform for partnerships with the private sector and social partners and communities.

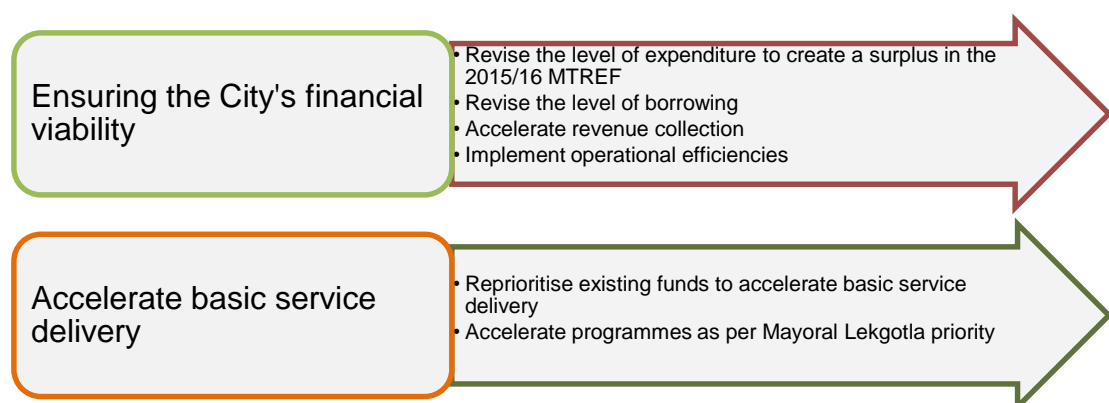
In 2011, when the five-year IDP was approved, the theme “Consolidating service delivery, accelerating service delivery and strengthening the foundations for a new Tshwane, a city of excellence” was agreed upon. To achieve the aspirations of the theme, strategic objectives and indicators were identified, and these were still applied in the reporting period, namely:

- Provide sustainable services infrastructure and human settlement
- Promote shared economic growth and job creation
- Ensure sustainable, safer communities and integrated social development
- Promote good governance and an active citizenry
- Improve financial sustainability
- Continue institutional development, transformation and innovation.

Subsequently, through the development of Tshwane Vision 2055, the City set a long-term development agenda to guide all future initiatives of the City. The long-term vision of the City is as follows:

In 2055, Tshwane is liveable, resilient and inclusive, and has citizens who enjoy a high quality of life, have access to social, economic and enhanced political freedoms, and are partners in the development of the African capital city of excellence.

The guiding principles of the City of Tshwane are:



Due to the inherently limited revenue base (municipal rates, user charges and grants/subsidies), we have to be proactive in minimising costs and maximising efficiencies to meet our daily and ever-increasing service delivery imperatives. Our objective is therefore to create a prudent and sound medium to long-term financial framework that is resilient to future shocks and to ensure sustainability of services through investment in infrastructure and the associated requisite adequate maintenance.

9 CITY OF TSHWANE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

The consolidated financial statements for the City of Tshwane and its municipal entities follow.

9.1 STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

	Note(s)	Group		Municipality	
		2016	2015 Restated*	2016	2015 Restated*
		R	R	R	R
Assets					
Current assets					
Inventories	21	576,917,890	485,475,154	573,789,834	482,345,921
Current portion of long-term receivables	20	95,249,478	102,165,812	95,249,478	102,165,812
Current tax receivable	62	1,176,843	-	-	-
Operating lease asset	63	49,216	181,025	-	-
Consumer debtors	22	2,603,596,625	2,537,093,207	2,594,648,189	2,524,606,807
VAT receivable	12	4,955,043	4,088,095	-	-
Other receivables	23	1,106,236,231	1,200,509,057	1,003,586,595	1,231,056,534
Investments	19	1,090,829,976	502,959,644	1,087,430,061	493,261,328
Cash and bank	24	95,219,108	97,558,776	75,890,080	57,158,390
		5,574,230,410	4,930,010,570	5,430,594,237	4,890,594,592
Non-current assets					
Investment property	14	807,269,932	770,057,911	802,525,850	765,064,140
Property, plant and equipment	13	31,527,146,324	28,181,210,405	31,500,515,169	28,166,097,505
Leased assets	17	115,028,935	204,414,497	115,028,935	204,414,497
Intangible assets	15	392,977,201	331,575,917	392,729,520	331,176,249
Heritage assets	16	3,629,977,497	3,607,628,201	3,629,977,497	3,607,628,201
Investments	19	710,520	710,520	710,520	710,520
Long-term receivables	20	19,851,340	58,404,812	19,851,340	58,404,812
Interest rate swap asset	72	43,936,952	130,122,756	43,936,952	130,122,756
		36,536,898,701	33,284,125,019	36,505,275,783	33,263,618,680
Total assets		42,111,129,111	38,214,135,589	41,935,870,020	38,154,213,272
Liabilities					
Current liabilities					
Loans and bonds	4	622,427,283	601,699,751	622,111,885	601,384,353
Lease liabilities	5	110,418,332	85,909,835	110,418,332	85,909,835
Deferred operating lease liability	63	397,231	574,936	-	-
Payables from exchange transactions	10	7,443,748,606	5,846,617,912	7,316,614,459	5,839,547,922
VAT payable	12	486,790,594	79,627,724	486,740,150	78,914,004
Consumer deposits	9	379,915,638	355,015,828	375,949,547	351,259,691
Unspent grants and receipts	11	130,291,177	170,644,491	130,291,177	170,365,637
Taxation	62	-	1,004,776	-	-
		9,173,988,861	7,141,095,253	9,042,125,550	7,127,381,442
Non-current liabilities					
Loans and bonds	4	10,321,798,390	9,660,757,084	10,319,939,692	9,658,583,062
Lease liabilities	5	33,634,395	122,953,054	33,634,395	122,953,054
Deferred operating lease liability	63	546,154	765,930	-	-
Employee benefit obligation	44	2,235,476,868	2,136,304,867	2,235,476,868	2,136,304,867
Deferred tax	61	71,967	48,511	-	-
Provisions	6	806,551,849	655,529,112	806,541,911	655,529,112
Interest rate swap liability	72	147,119,727	85,625,408	147,119,727	85,625,408
Service concession arrangements	64	672,256,650	-	672,256,650	-
		14,217,456,000	12,661,983,966	14,214,969,243	12,658,995,503
Total liabilities		23,391,444,861	19,803,079,219	23,257,094,793	19,786,376,945
Net assets		18,719,684,250	18,411,056,370	18,678,775,227	18,367,836,327
Net assets					
Accumulated surplus	43	18,719,684,250	18,411,056,370	18,678,775,227	18,367,836,327

* Refer to prior period restatements - Note 47

9.2 STATEMENT OF FINANCIAL PERFORMANCE

		Group		Municipality	
		2016	2015	2016	2015
	Note(s)	R	Restated*	R	Restated*
			R		R
Revenue					
Revenue from exchange transactions					
Service charges	26	14,590,104,963	13,347,680,584	14,688,149,864	13,422,295,882
Rental of facilities and equipment		135,348,680	116,170,342	131,388,317	113,623,320
Interest received - outstanding consumer debtors		406,006,426	374,611,900	361,055,496	338,768,697
Licences and permits		48,743,171	53,243,503	48,743,171	53,243,503
Other income	28	749,598,106	807,680,246	748,562,814	802,431,681
Interest received - external investments	34	57,274,371	38,167,359	55,999,525	36,874,337
Total revenue from exchange transactions		15,987,075,717	14,737,553,934	16,033,899,187	14,767,237,420
Revenue from non-exchange transactions					
Taxation revenue					
Property rates	25	5,360,554,242	4,866,348,173	5,360,754,623	4,866,550,478
Transfer revenue					
Government grants, subsidies, awards and donations	27	5,969,315,203	5,593,458,890	5,969,036,348	5,593,458,890
Public contributions and donations		276,873,503	257,515,681	276,873,503	257,515,681
Fines, penalties and forfeits		313,548,835	177,338,263	313,548,835	177,338,263
Sponsorship revenue		394,737	131,579	-	-
Total revenue from non-exchange transactions		11,920,686,520	10,894,792,586	11,920,213,309	10,894,863,312
Total revenue		27,907,762,237	25,632,346,520	27,954,112,496	25,662,100,732
Expenditure					
Employee-related cost	29	(7,529,930,539)	(6,553,006,094)	(7,397,754,728)	(6,436,465,276)
Remuneration of councillors	31	(112,443,327)	(104,192,823)	(112,443,327)	(104,192,823)
Depreciation and amortisation	32	(1,436,695,858)	(1,382,913,719)	(1,431,340,492)	(1,377,522,839)
Impairment loss/reversal of impairments	65	(362,767)	(124,922,833)	(362,767)	(124,922,833)
Finance costs	33	(1,137,968,467)	(997,466,530)	(1,136,966,921)	(996,547,870)
Debt impairment	35	(1,278,919,913)	(850,661,938)	(1,126,463,150)	(721,971,875)
Collection costs		(268,119,592)	(274,254,321)	(267,860,384)	(274,245,100)
Repairs and maintenance		(1,432,683,732)	(1,505,239,848)	(1,428,538,692)	(1,495,233,287)
Bulk purchases	36	(8,728,503,199)	(7,827,495,892)	(8,808,848,636)	(7,926,726,987)
Transfers and subsidies	37	-	-	(347,060,760)	(211,526,531)
General expenses	38	(5,588,543,443)	(5,127,309,770)	(5,500,720,981)	(5,109,059,719)
Total expenditure		(27,514,170,837)	(24,747,463,768)	(27,558,360,838)	(24,778,415,140)
Operating surplus		393,591,400	884,882,752	395,751,658	883,685,592
Gain/(loss) on disposal of assets and liabilities		62,104,490	(169,958,450)	62,231,796	(169,913,188)
Profit/(loss) on foreign exchange transactions		(1,678,206)	(183,984)	(1,678,206)	(183,984)
Fair value adjustments		(145,366,351)	52,091,422	(145,366,351)	52,091,422
		(84,940,067)	(118,051,012)	(84,812,761)	(118,005,750)
Surplus before taxation		308,651,333	766,831,740	310,938,897	765,679,842
Taxation	62	23,456	700,384	-	-
Surplus for the year		308,627,877	766,131,356	310,938,897	765,679,842

The National Treasury classification of expenditure is disclosed in Note 70.

9.3 STATEMENT OF CHANGES IN NET ASSETS

	Accumulated surplus R	Total net assets R
Group		
Opening balance as previously reported	17,805,167,851	17,805,167,851
Adjustments		
Prior year adjustments (refer to Note 43 and 47)	(160,242,837)	(160,242,837)
Balance at 01 July 2014 as restated*	17,644,925,014	17,644,925,014
Changes in net assets		
Surplus for the year	766,131,356	766,131,356
Total changes	766,131,356	766,131,356
Opening balance as previously reported	18,823,587,449	18,823,587,449
Adjustments		
Prior year adjustments (refer to Note 43 and 47)	(412,531,076)	(412,531,076)
Restated* Balance at 01 July 2015 as restated*	18,411,056,373	18,411,056,373
Changes in net assets		
Surplus for the year	308,627,877	308,627,877
Total changes	308,627,877	308,627,877
Balance at 30 June 2016	18,719,684,250	18,719,684,250
Note(s)	43	
Municipality		
Opening balance as previously reported	17,762,213,091	17,762,213,091
Adjustments		
Prior year adjustments (refer to Note 43 and 47)	(160,056,606)	(160,056,606)
Balance at 01 July 2014 as restated*	17,602,156,485	17,602,156,485
Changes in net assets		
Surplus for the year	765,679,842	765,679,842
Total changes	765,679,842	765,679,842
Opening balance as previously reported	18,780,132,799	18,780,132,799
Adjustments		
Prior year adjustments (refer to Note 43 and 47)	(412,296,469)	(412,296,469)
Restated* Balance at 01 July 2015 as restated*	18,367,836,330	18,367,836,330
Changes in net assets		
Surplus for the year	310,938,897	310,938,897
Total changes	310,938,897	310,938,897
Balance at 30 June 2016	18,678,775,227	18,678,775,227
Note(s)	43	

9.4 CASH FLOW STATEMENT

		Group		Municipality	
		2016	2015	2016	2015
		R	Restated*	R	Restated*
			R		R
Cash flows from operating activities					
Receipts					
Cash receipts from other revenue sources		2,272,335,757	1,525,495,491	2,549,889,856	1,448,979,376
Cash receipts from rate payers and service charges		18,968,392,038	17,725,574,209	19,211,688,643	17,911,009,109
Grants		5,930,802,716	5,677,719,992	5,930,802,716	5,677,719,992
Interest income		57,274,371	38,167,359	55,999,525	36,874,337
		<u>27,228,804,882</u>	<u>24,966,957,051</u>	<u>27,748,380,740</u>	<u>25,074,582,814</u>
Payments					
Cash paid to employees		(7,842,373,866)	(6,657,198,917)	(7,510,198,055)	(6,540,658,096)
Cash paid to suppliers		(14,447,440,044)	(14,189,647,467)	(14,742,700,772)	(14,205,850,827)
Finance costs (interest paid)		(1,137,968,467)	(997,466,530)	(1,136,966,921)	(996,547,870)
Transfers and grants		-	-	(347,080,760)	(211,526,531)
Taxes on surpluses		(23,456)	(700,382)	-	-
		<u>(23,227,805,833)</u>	<u>(21,845,013,296)</u>	<u>(23,736,926,508)</u>	<u>(21,954,583,327)</u>
Net cash flows from operating activities	39	<u>4,000,999,049</u>	<u>3,121,943,755</u>	<u>4,011,454,232</u>	<u>3,119,999,487</u>
Cash flows from investing activities					
Purchase of property, plant and equipment	13	(4,998,931,961)	(4,436,996,579)	(4,982,392,526)	(4,435,287,526)
Purchase/redemption of leased assets	17	-	(266,860,619)	-	(266,860,619)
Proceeds from sale of assets (including gain/(loss))	13	315,588,558	(59,007,926)	315,588,558	(59,007,926)
Purchase of investment property and retirements	14	1,864,822	(6,338,103)	1,864,822	(6,338,103)
Purchase of other intangible assets and retirements	15	(46,325,440)	(1,418,263)	(46,265,624)	76,646,301
Proceeds from sale of other intangible assets	15	-	77,675,587	-	-
Purchase of heritage assets	16	(22,349,296)	(6,491)	(22,349,296)	(6,491)
Movement in long-term receivables		45,469,606	109,762,466	-	109,762,466
Movement in long-term investments		-	5,096,572	45,469,606	5,096,572
Net cash flows from investing activities		<u>(4,704,683,711)</u>	<u>(4,578,093,356)</u>	<u>(4,688,084,460)</u>	<u>(4,575,995,326)</u>
Cash flows from financing activities					
Proceeds from loans and bonds		1,200,000,000	1,500,000,000	1,200,000,000	1,500,000,000
Repayment of loans and bonds	4	(518,231,162)	(491,042,465)	(517,915,839)	(490,727,044)
Movement in service concession arrangements		672,256,650	-	672,256,650	-
Finance lease payments	5	(64,810,162)	199,894,504	(64,810,162)	199,894,504
Net cash flows from financing activities		<u>1,289,215,326</u>	<u>1,208,852,039</u>	<u>1,289,530,649</u>	<u>1,209,167,460</u>
Net increase/(decrease) in cash and cash equivalents		585,530,664	(247,297,562)	612,900,421	(246,828,381)
Cash and cash equivalents at the beginning of the year		600,518,420	847,815,980	550,419,718	797,248,099
Cash and cash equivalents at the end of the year	24	<u>1,186,049,084</u>	<u>600,518,418</u>	<u>1,163,320,139</u>	<u>550,419,718</u>

* Refer to prior period restatements - Note 47

6 REPORTS OF THE AUDITOR GENERAL

A TREATMENT OF MATTERS RAISED BY THE AUDITOR-GENERAL IN PREVIOUS AND CURRENT FINANCIAL YEARS

1 2014/15 FINANCIAL YEAR

The City achieved an unqualified audit in FY 2014/15. There were however findings related to the predetermined objectives and the financial statements.

The City committed, to making improvements to address deficiencies identified by the AG.

Specific planned interventions to address the AG findings included –

- improving and strengthening the supply chain management process;
- improving expenditure management processes;
- improving contract management processes;
- strengthening internal controls to address performance reporting;
- monitoring the performance of the municipal entities by the Shareholder Unit in the Office of the Executive Mayor;
- Aligning the internal audit processes and methodology to that of the AGSA, in order to perform additional and more rigorous testing of departmentally reported performance results;

The City of Tshwane convened MLAP meetings to monitor progress on all findings on a monthly basis. Such platform allows for tracking of corrective measures for both prior audit findings raised by the AGSA well as Internal Audit findings raised on their quarterly audit. The Heads of Departments are required to attend such platform and convey requests of the committee back to the responsible officials within their departments and is also accountable for ensuring all findings or queries raised are resolved. Progress has been made to address findings from both parties.

The City has also adopted principles of the combined assurance model and implemented such to ensure reliable and useful information is produced. The model focuses on the specific contribution that is required from officials and encompasses controls and review mechanisms at various levels within the department as well as at the oversight levels.

2 2015/16 FINANCIAL YEAR

The City of Tshwane received an unqualified audit opinion for the 2015/16 financial year. There was, however, an emphasis of matter paragraph as well as material findings on compliance with specific matters in key legislation. In order to ensure an unqualified audit opinion with no findings, these items need to be properly addressed and rectified. A high-level project plan and Management Letter Action Plan (MLAP) are to be developed. The MLAP project would set out the steps to be taken into account and what needed to be in place to ensure an unqualified audit opinion with no findings. This will be an ever evolving plan, which will be improved as the project progresses and new and/or more appropriate steps become necessary.

The MLAP captures each and every finding on the management letter, indicating the root cause of the finding and action plans by management to address the finding and to prevent a re-occurrence. This MLAP is tracked by Group Financial Services and followed up by Internal Audit. Internal Audit also reports on the progress and status of the actions identified by management.

The management team of the City is committed to attaining a financially unqualified audit with no material findings on compliance and predetermined objectives, and ensuring financial sustainability underpinned by principles of good governance.

Our success with regard to improved audit outcomes will be achieved by implementing effective internal controls and preparing action plans (through the MLAP) to respond to findings raised by the AGSA. The controls and action plans will be reviewed and monitored on a regular basis to ensure compliance with them. Management leadership, strengthening accountability and our commitment to leading by example will be a critical ingredient in ensuring our success.

Planned interventions will focus more sharply on improving and strengthening our processes for supply chain management and expenditure management to ensure that we curb unauthorized and irregular expenditure. An improved contract management process will be at the center of resolving most of the findings raised on expenditure management and contravention of SCM regulations. We will implement stricter controls to resolve non-compliance with the SCM regulation and the City's Code of Conduct.

REPORT OF THE AUDITOR-GENERAL TO THE GAUTENG PROVINCIAL LEGISLATURE AND THE COUNCIL OF THE CITY OF TSHWANE METROPOLITAN MUNICIPALITY

REPORT ON THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

INTRODUCTION

1. I have audited the consolidated and separate financial statements of the City of Tshwane Metropolitan Municipality and its municipal entities as set out on pages xx to xx, which comprise the consolidated and separate statement of financial position as at 30 June 2016, the consolidated and separate statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

ACCOUNTING OFFICER'S RESPONSIBILITY FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

2. The accounting officer is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2015 (Act No.1 of 2015) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of the consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR-GENERAL'S RESPONSIBILITY

3. My responsibility is to express an opinion on these consolidated and separate financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated and separate financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the municipality's preparation and fair presentation of the consolidated and separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated and separate financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

OPINION

6. In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the City of Tshwane Metropolitan Municipality and its municipal entities as at 30 June 2016 and its consolidated and separate financial performance and cash flows for the year then ended, in accordance with SA standards of GRAP and the requirements of the MFMA and DoRA.

EMPHASIS OF MATTERS

7. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Significant uncertainties

8. With reference to note 55 to the consolidated and separate financial statements, the municipality is the defendant in a number of legal cases. The ultimate outcome of these matters cannot presently be determined and no provision for any liability that may result has been made in the financial statements.

Restatement of corresponding figures

9. As disclosed in note 47 to the consolidated and separate financial statements, the corresponding figures for 30 June 2015 have been restated as a result of errors discovered in the consolidated and separate financial statements of the City of Tshwane metropolitan municipality and its municipal entities during the year ended 30 June 2016.

Material Impairment

10. As disclosed in note 22 to the consolidated and separate financial statements, trade receivables for the group were significantly impaired as the recoverability of these amounts is doubtful. The allowance for impairment of trade receivables amount to R6 611 529 928 (2014-15: R5 664 049 394) which represents 70,9% (2014-15: 67,9%) of consumer debtors. The contribution to provision for debt impairment was R1 361 170 027 (2014-15: R842 780 281).

Material losses

11. As disclosed in note 60 to the consolidated and separate financial statements, material losses for the group and municipality amounting to R1 347 407 515 (2014-15: R973 512 190) were incurred as a result of electricity distribution losses which represent 19.3% (2014-15: 16.1%) of total electricity purchased. The total technical losses of electricity amounted to R 489 203 973 (2014-15: R424 584 756). Non-technical losses amounted to R858 203 542 (2014-15: R548 927 434) and are due to unauthorised consumption, tampering and faulty meters.

ADDITIONAL MATTERS

12. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited disclosure notes

13. In terms of section 125(2)(e) of the MFMA, the group and municipality are required to disclose particulars of non-compliance with the MFMA. This disclosure requirement did not form part of the audit of the consolidated and separate financial statements and, accordingly, I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

14. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected strategic objectives presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading, but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

PREDETERMINED OBJECTIVES

15. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected strategic objectives presented in the annual performance report of the group and municipality for the year ended 30 June 2016:

- Strategic objective 1: Providing sustainable services infrastructure and human settlements management on pages' x to x
- Strategic objective 2: Promoting shared economic growth on pages x to x
- Strategic objective 3: Ensuring sustainable, safer communities and integrated social development on pages x to x
- Strategic objective 6: Continuing institutional development, transformation and innovation on pages x to x

16. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned objectives. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's *Framework for managing programme performance information* (FMPPI).

17. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

18. I did not identify any material findings on the usefulness and reliability of the reported performance information for the following strategic objectives:

- Strategic objective 1: Providing sustainable services infrastructure and human settlements management.
- Strategic objective 2: Promoting shared economic growth.
- Strategic objective 3: Ensuring sustainable, safer communities and integrated social development.
- Strategic objective 6: Continuing institutional development, transformation and innovation.

ADDITIONAL MATTERS

19. Although I identified no material findings on the usefulness and reliability of the reported performance information for the selected strategic objectives, I draw attention to the following matters:

ACHIEVEMENT OF PLANNED TARGETS

20. Refer to the annual performance report on page(s) x to x and x to x for information on the achievement of the planned targets for the year.

ADJUSTMENT OF MATERIAL MISSTATEMENTS

21. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of Strategic Objective 6 – Continued institutional development, transformation and innovation. As management subsequently corrected the misstatements, I did not identify any material findings on the reliability of the reported performance information.

COMPLIANCE WITH LEGISLATION

22. I performed procedures to obtain evidence that the group and municipality had complied with applicable legislation regarding financial matters, financial management and other related matters. My material findings on compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

Annual financial statements

23. The consolidated and separate financial statements submitted for auditing were not prepared in all material respects, in accordance with the requirements of section 122 of the MFMA. Material misstatements of property plant and equipment; statement of comparison of budget and actual amounts and disclosure notes identified by the auditors in the submitted financial statements, were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

Procurement and contract management

24. I could not obtain sufficient appropriate audit evidence that all contracts were awarded in accordance with the legislative requirements and a procurement process which is fair, equitable, transparent and competitive, as not all contracts were submitted for auditing.
25. Goods and services of a transaction value above R200 000 was procured without inviting competitive bids, as required by Supply Chain Management (SCM) regulation 19(a).
26. Sufficient appropriate audit evidence could not be obtained that the contract performance and monitoring measures and methods were sufficient to ensure effective contract management, as required by section 116(2)(c) of the MFMA, as not all contracts were submitted for auditing.

Expenditure management

27. Reasonable steps were not taken to prevent unauthorised and irregular expenditure, as required by section 62(1) (d) of the MFMA.

Asset management

28. An effective system of internal control for assets was not in place, as required by section 63(2) (c) of the MFMA.

INTERNAL CONTROL

29. I considered internal control relevant to my audit of the consolidated and separate financial statements, annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.

Leadership

30. The accounting officer and senior management did not adequately perform oversight responsibility over compliance with laws and regulations and financial and performance reporting resulting in material adjustments required on the financial statements and non-compliance with the MFMA and SCM regulations.
31. The municipality developed a plan to address audit findings, but the action plan was not sufficient on key items such as procurement and financial reporting hence it did not yield the required results, which resulted in a number of repeat findings on assets and non-compliance with the MFMA and SCM regulations.

Financial and performance management

32. Effective financial and internal control disciplines were not implemented to ensure fairly presented financial statements. The preparation and review processes were ineffective which resulted in material adjustments to the annual financial statements.

Other reports

33. I draw attention to the following engagements that could potentially impact on the municipality's financial, performance and compliance related matters. My opinion is not modified in respect of these engagements that are either in progress or have been completed.

INVESTIGATIONS

34. The Public Protector is investigating the smart prepaid meter contract. The investigation was initiated based on an allegation of the possible misappropriation of the municipality's assets. At the time of the report, the outcome of the investigation was unknown.
35. Two hundred and twenty six cases of alleged irregularities relating to financial misconduct, fraudulent acts, theft and non-compliance were investigated during the financial year. The majority of these cases were investigated internally by the municipality's forensic department. Of these, 123 have been completed, and the remainder are at either the planning or execution phase.

Auditor-General

Pretoria

31 December 2016



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

APPENDICES

A CAPITAL PROJECTS EXPENDITURE

Table 83: Capital Expenditure

Department	Project Name	WBS Level 3	Original Budget 2015/16	Adjusted Budget 2015/16	Current Budget 2015/16	Cumulative Capex Actual
Energy & Electricity	Upgrading/Strengthening of Existing Network Schemes	9.710005.1.016	4,000,000	4,000,000	4,000,000	3,394,483
Energy & Electricity	Payments to Townships for Reticulated Towns	9.710006.1.016	3,500,000	3,500,000	3,500,000	3,462,437
Water & Sanitation	Lengthening of Network and Supply Pipelines	9.710023.1.016	5,000,000	5,000,000	5,000,000	4,999,998
Water & Sanitation	Replacement of Worn Out Network Pipes	9.710026.1.015	5,500,000	5,500,000	5,500,000	5,380,879
Water & Sanitation	Replacement of Worn Out Network Pipes	9.710026.1.016	13,257,142	13,257,142	13,257,142	12,548,119
Transport	Contributions: Services for Township Development	9.710115.1.015	-	1,863,681	1,863,681	-
Transport	Contributions: Services for Township Development	9.710115.1.016	7,383,977	7,383,977	7,383,977	7,383,977
Transport	Apies River: Canal Upgrading, Pretoria Central	9.710117.1.015	1,000,000	1,000,000	1,000,000	983,547

Department	Project Name	WBS Level 3	Original Budget 2015/16	Adjusted Budget 2015/16	Current Budget 2015/16	Cumulative Capex Actual
Transport	Concrete Canal: Sam Malema Road, Winterveld	9.710128.1.015	100,000	-	-	-
Transport	Major Storm Water System, Mamelodi X 8	9.710129.1.005	2,000,000	-	-	-
Transport	Major Storm Water Systems: Klipkruisfontein	9.710143.1.005	20,000,000	-	-	-
Energy & Electricity	11kV Panel Extension in Substations	9.710164.1.016	8,500,000	8,500,000	8,500,000	8,431,788
Energy & Electricity	Electricity for All	9.710178.2.005	90,000,000	91,344,858	91,344,858	89,987,631
Energy & Electricity	Electricity for All	9.710178.2.006	37,000,000	37,000,950	37,000,950	36,801,599
Energy & Electricity	Electricity for All	9.710178.2.015	30,000,000	30,000,000	30,000,000	28,780,917
Health & Social Development	New Gazankulu Clinic	9.710204.1.015	19,000,000	19,281,844	19,281,844	19,197,419
Group Information & Communication Technology	One Integrated Transaction Processing System	9.710213.1.015	21,500,000	21,500,000	21,500,000	20,026,208
Transport	Replacement of Traffic Signs	9.710221.1.015	-	36,860,000	36,860,000	35,999,998
Transport	Rehabilitation of Bridges	9.710223.1.015	300,000	300,000	300,000	297,551
Transport	Traffic Calming and Pedestrian Safety for Tshwane	9.710229.2.015	3,000,000	6,000,000	6,000,000	5,855,385
Group Information & Communication Technology	Computer Equipment Deployment (Printers)	9.710268.1.015	15,000,000	15,000,000	15,000,000	14,751,893
Environmental Management	Upgrading and Extension of Facilities	9.710276.1.015	4,500,000	4,500,000	4,500,000	4,498,957
Energy & Electricity	Communication Upgrade: Optical Fibre Net	9.710325.1.016	10,000,000	10,000,000	10,000,000	9,766,259
Environmental Management	Development of Parks and Traffic Islands (Backlog & New)	9.710348.1.016	35,000,000	35,000,000	35,000,000	34,498,651
Transport	Traffic Lights/Traffic Signal System	9.710395.1.015	5,000,000	5,000,000	5,000,000	4,825,468

Department	Project Name	WBS Level 3	Original Budget 2015/16	Adjusted Budget 2015/16	Current Budget 2015/16	Cumulative Capex Actual
Water & Sanitation	Replacement, Upgrade, Construct WWTW Facilities	9.710411.1.015	46,807,817	46,807,817	46,807,817	46,784,736
Energy & Electricity	Strengthening of 11kv Cable Network	9.710480.1.015	15,000,000	15,000,000	15,000,000	14,595,756
Energy & Electricity	Strengthening of 11kv Overhead Network	9.710481.1.015	15,000,000	15,000,000	15,000,000	13,908,078
Energy & Electricity	Substations	9.710484.1.016	4,000,000	4,000,000	4,000,000	3,818,337
Energy & Electricity	Tshwane Public Lighting Programme	9.710556.2.005	30,000,000	30,991,045	30,991,045	28,992,111
Energy & Electricity	Tshwane Public Lighting Programme	9.710556.2.015	40,000,000	40,000,000	40,000,000	38,600,421
Transport	Matenteng Main Transport Route, Stinkwater	9.710597.2.015	200,000	-	-	-
Transport	Shova Kalula Bicycle Project	9.710609.1.005	10,000,000	-	-	-
Transport	Mabopane Station Modal Interchange	9.710657.2.005	55,000,000	27,000,000	27,000,000	17,499,997
Housing & Human Settlement	Project Linked Housing - Water Provision	9.710863.2.005	135,456,650	174,208,840	174,208,840	143,810,884
Housing & Human Settlement	Project Linked Housing - Water Provision	9.710863.2.010	2,293,422	-	-	-
Housing & Human Settlement	Sewerage – Low-cost Housing	9.710864.2.005	124,750,000	149,834,769	149,834,769	103,522,159
Housing & Human Settlement	Roads and Stormwater – Low-cost Housing – Project-linked Housing	9.710865.2.005	308,000,000	258,921,070	258,921,070	223,348,445
Housing & Human Settlement	Project Linked Housing - Acquisition of Land	9.710868.2.005	100,000,000	100,000,000	100,000,000	245,404,439
Housing & Human Settlement	Project Linked Housing - Acquisition of Land	9.710868.2.015	-	-	-	113,214,045
Corporate & Shared Services	Purchase of Vehicles	9.710869.1.001	-	21,000,000	21,000,000	18,194,840
Water & Sanitation	Refurbishing of Water Networks and Backlog Eradication	9.710878.2.005	80,000,000	180,815,293	180,815,293	180,765,628

Department	Project Name	WBS Level 3	Original Budget 2015/16	Adjusted Budget 2015/16	Current Budget 2015/16	Cumulative Capex Actual
Water & Sanitation	Refurbishing of Water Networks and Backlog Eradication	9.710878.2.015	108,562,183	155,162,183	155,162,183	155,162,135
Water & Sanitation	Refurbishing of Water Networks and Backlog Eradication	9.710878.2.016	7,742,858	7,742,858	7,742,858	7,742,858
Transport	Rehabilitation of Roads	9.710902.2.015	-	21,592,000	21,592,000	20,911,162
Transport	Real Rover Road to Serapeng Road	9.710936.2.015	550,000	490,000	490,000	484,380
Transport	Block W – Storm Water Drainage	9.711164.2.005	20,000,000	-	-	-
Transport	Block W – Storm Water Drainage	9.711164.2.015	-	810,000	810,000	-
Transport	Magriet Monamodi Storm Water System	9.711262.2.015	1,000,000	-	-	-
Transport	Major S/ Water Drainage System: Matenteng	9.711264.2.015	200,000	-	-	-
Transport	Hartebeest Spruit: Canal Upgrading	9.711265.1.015	4,000,000	4,000,000	4,000,000	3,986,241
Transport	Montana Spruit: Channel Improvements	9.711268.1.015	3,000,000	-	-	-
Transport	Major S/Water Drainage System: Majaneng	9.711273.2.005	15,000,000	-	-	-
Transport	Major S/Water Drainage Channels: Ga- Rankuwa	9.711284.2.005	1,000,000	-	-	-
Transport	Storm Water Drainage Systems in Ga-Rankuwa View	9.711285.2.005	1,000,000	-	-	-
Water & Sanitation	Replacement and Upgrading: Redundant Bulk Pipeline Infrastructure	9.711335.1.015	34,330,000	34,330,000	34,330,000	31,565,971
Water & Sanitation	Replacement of Sewers	9.711404.2.016	2,500,000	2,500,000	2,500,000	2,467,405
Sports & Recreation	Olievenhoutbosch Multipurpose Sport	9.711432.2.015	5,000,000	5,000,000	5,000,000	3,972,385

Department	Project Name	WBS Level 3	Original Budget 2015/16	Adjusted Budget 2015/16	Current Budget 2015/16	Cumulative Capex Actual
Sports & Recreation	H/kraal Multip. Sport & Rec Centre	9.711433.2.005	-	873,059	873,059	-
Emergency Services	Renovation & Upgrading of Facilities	9.711455.1.015	4,000,000	4,000,000	4,000,000	3,998,852
Water & Sanitation	Reduction Water Losses: Water Networks	9.711542.1.016	4,000,000	4,000,000	4,000,000	4,000,000
Environmental Management	Atmospheric Pollution Monitoring Network	9.711562.1.015	3,000,000	3,000,000	3,000,000	2,326,000
Transport	Doubling of Simon Vermooten	9.711800.1.002	100,386,566	97,742,704	97,742,704	97,741,659
Transport	Internal Roads: Northern Areas	9.711863.2.005	5,000,000	-	-	-
Transport	Internal Roads: Northern Areas	9.711863.2.015	20,000,000	310,000	310,000	-
Transport	Separation Airside/Landside movements	9.711953.2.015	-	22,000,000	22,000,000	17,536,425
Energy & Electricity	Replacement of Obsolete and Non Functional Protection Equipment	9.712006.1.016	1,500,000	1,500,000	1,500,000	1,492,176
Health & Social Development	Upgrade Workflow System for Health-Erp	9.712028.1.001	7,000,000	5,884,016	5,884,016	2,698,858
Environmental Management	240 Litre Containers	9.712092.1.015	10,000,000	10,000,000	10,000,000	9,999,772
Environmental Management	Swivel Bins	9.712094.1.015	2,000,000	2,000,000	2,000,000	1,995,946
Water & Sanitation	Moreletaspruit: Outfall Sewer	9.712121.1.015	6,000,000	6,000,000	6,000,000	1,949,387
Water & Sanitation	Establishment of Water Distribution Depots	9.712124.1.015	-	2,000,000	2,000,000	-
Transport	Centurion Lake and Kaal Spruit	9.712217.1.015	1,000,000	-	-	-
Transport	Flooding Backlogs: Stinkwater & New Eersterus Area	9.712219.1.005	15,000,000	-	-	-
Transport	Flooding Backlogs: Sosh & Winterveld Area	9.712220.1.005	237,176,350	348,560,678	348,560,678	348,467,162
Transport	Flooding Backlogs: Sosh & Winterveld Area	9.712220.1.015	87,850,000	67,616,819	67,616,819	67,487,126

Department	Project Name	WBS Level 3	Original Budget 2015/16	Adjusted Budget 2015/16	Current Budget 2015/16	Cumulative Capex Actual
Transport	Flooding Backlogs: Sosh & Winterveld Area	9.712220.1.016	22,616,023	22,616,023	22,616,023	22,430,439
Transport	Flooding Backlogs: Mabopane Area	9.712221.1.005	1,000,000	-	-	-
Transport	Flooding Backlogs: Mabopane Area	9.712221.1.015	-	1,100,000	1,100,000	-
Transport	Flooding Backlogs: Mamelodi, Eersterust & Pta Eastern Area	9.712223.1.005	10,000,000	-	-	-
Sports & Recreation	Lotus Gardens Multi-Purpose Sport Facility	9.712260.1.015	5,000,000	5,000,000	5,000,000	4,870,488
Health & Social Development	Upgrading of Clinic Dispensaries	9.712278.1.015	2,000,000	1,000,000	1,000,000	963,384
Energy & Electricity	New Bulk Electricity Infrastructure	9.712279.1.015	100,000,000	100,000,000	100,000,000	97,191,915
Group Audit & Risk	Insurance Replacements (CTMM Contribution)	9.712449.1.001	8,000,000	18,000,000	18,000,000	11,711,641
Group Audit & Risk	Insurance Replacements	9.712450.1.001	5,000,000	5,000,000	5,000,000	4,876,725
Energy & Electricity	New Connections	9.712483.1.016	20,000,000	20,000,000	20,000,000	19,682,523
Energy & Electricity	Electrification of Winterveld	9.712492.1.015	30,000,000	30,000,000	30,000,000	29,253,310
Metro Police Services	Purchasing of Policing Equipment	9.712500.1.001	10,000,000	10,000,000	10,000,000	8,852,430
Transport	Traffic Flow Improvement at Intersections	9.712502.1.015	5,000,000	-	-	-
Transport	Flooding Backlog: Network 3, Kudube Unit 11	9.712503.1.015	300,000	-	-	-
Transport	Flooding Backlog: Network 2F, Kudube Unit 6	9.712504.1.005	12,000,000	-	-	-
Transport	Flooding backlog: Network 5A, Matenteng	9.712506.1.005	10,000,000	-	-	-
Transport	Flooding Backlog: Network 2H, Kudube Unit 7	9.712507.1.005	300,000	-	-	-
Transport	Flooding Backlog: Network C5, C6, C11 & C13, Atteridgeville	9.712511.1.005	6,000,000	-	-	-

Department	Project Name	WBS Level 3	Original Budget 2015/16	Adjusted Budget 2015/16	Current Budget 2015/16	Cumulative Capex Actual
Transport	Flooding Backlogs: Soshanguve South & Akasia Area	9.712513.1.005	20,000,000	2,900,000	2,900,000	2,897,102
Transport	Flooding Backlog: Network 2B, Ramotse	9.712515.1.005	2,000,000	-	-	-
Transport	Flooding Backlog: Network 2D, New Eersterus x 2	9.712516.1.005	15,000,000	-	-	-
Transport	Flooding Backlog: Drainage Canals along Hans Strydom Dr, Mamelodi x 4 and 5	9.712518.1.015	-	650,000	650,000	507,458
Transport	Flooding Backlog: Network 1A, 1C & 1F, Ramotse	9.712520.1.015	500,000	-	-	-
Transport	Collector Road Backlogs: Atteridgeville	9.712522.1.015	300,000	-	-	-
Transport	Flooding Backlog: Network 3A, Kudube Unit 9	9.712523.1.015	300,000	-	-	-
Office of the City Manager	Implementation of Tsosoloso Programme	9.712533.1.003	100,000,000	62,619,000	62,619,000	62,618,996
Water & Sanitation	Reservoir Extensions	9.712534.1.015	41,300,000	39,300,000	39,300,000	39,031,505
Transport	Upgrading of Maunde	9.712544.1.015	4,000,000	-	-	-
Group Information & Communication Technology	E-Initiatives supporting the Smart City	9.712554.1.015	15,000,000	15,000,000	15,000,000	14,805,957
Transport	Upgrade Main Terminal Building	9.712566.1.015	-	3,000,000	3,000,000	2,598,178
Emergency Services	Disaster Risk Management Tools and Equipment	9.712587.1.015	2,000,000	2,000,000	2,000,000	1,939,790
Transport	CBD and Surrounding Areas (BRT) - (Transport Infrastructure)	9.712591.1.001	-	107,361,211	107,361,211	107,361,202

Department	Project Name	WBS Level 3	Original Budget 2015/16	Adjusted Budget 2015/16	Current Budget 2015/16	Cumulative Capex Actual
Transport	CBD and Surrounding Areas (BRT) - (Transport Infrastructure)	9.712591.1.002	670,222,434	672,866,296	672,866,296	670,608,999
Transport	Upgrading of Lavender Road (Southern Part of K 97)	9.712610.1.015	-	1,807,500	1,807,500	723,526
Transport	Upgrading of Mabopane Roads dealing with Red Soils	9.712611.1.005	1,000,000	-	-	-
Transport	Upgrading of Sibande Street, Mamelodi	9.712612.1.015	300,000	-	-	-
Environmental Management	Stinkwater Sustainable Agricultural Village	9.712657.1.015	5,000,000	5,000,000	5,000,000	4,909,195
Health & Social Development	Multipurpose Development Centres	9.712681.1.015	-	638,017	638,017	638,017
Health & Social Development	Upgrade and extension of Zithobeni Clinic	9.712683.1.015	11,000,000	14,376,727	14,376,727	14,344,909
Health & Social Development	Replacement of Rayton Clinic	9.712684.1.015	-	443,016	443,016	443,016
Health & Social Development	Upgrading of ECD centres and Day care Centre	9.712691.1.015	-	382,820	382,820	379,368
Corporate & Shared Services	Replacement/Modernization of all the Lifts within various Council Buildings	9.712743.1.015	5,000,000	2,500,000	2,500,000	-
Corporate & Shared Services	Capital Funded from Operating	9.712753.1.007	-	-	-	2,742
Group Financial Services	Capital Funded from Operating	9.712755.1.012	250,000	250,000	250,000	156,708
Sports & Recreation	Capital Funded from Operating	9.712773.1.013	7,551,000	7,551,000	7,551,000	6,276,401
Environmental Management	Development of the Klipkruisfontein Cemetery	9.712808.1.015	13,000,000	13,000,000	13,000,000	11,674,724
Environmental Management	Development of Tshwane North Cemetery	9.712809.1.005	-	3,882,721	3,882,721	3,873,626
Environmental Management	Development of Tshwane North Cemetery	9.712809.1.015	8,000,000	8,000,000	8,000,000	6,761,460

Department	Project Name	WBS Level 3	Original Budget 2015/16	Adjusted Budget 2015/16	Current Budget 2015/16	Cumulative Capex Actual
Health & Social Development	Installation of generators in all LG clinics	9.712835.1.015	-	238,865	238,865	238,865
Energy & Electricity	Replacement of Obsolete Protection and Testing Instruments	9.712861.1.016	1,000,000	1,000,000	1,000,000	947,632
Energy & Electricity	Rooiwal Power Station Refurbishment	9.712862.1.015	8,000,000	3,000,000	3,000,000	1,876,914
Environmental Management	Upgrading of the market trading system	9.712868.1.015	5,500,000	5,500,000	5,500,000	5,344,187
Sports & Recreation	Upgrading of Pilditch Stadium	9.712878.1.015	9,000,000	3,900,000	3,900,000	3,897,669
Sports & Recreation	Upgrading of Zithobeni Sport Stadium	9.712883.1.015	15,000,000	20,100,000	20,100,000	15,804,381
Transport	Upgrading of Road from gravel to tar in Zithobeni Ward 5 & 6	9.712893.1.005	6,000,000	-	-	-
Transport	Upgrading of Road from gravel to tar in Ekangala Ward 8,9 & 10	9.712894.1.005	12,000,000	-	-	-
Transport	Upgrading of Road from gravel to tar in Ekangala Ward 8,9 & 11	9.712895.1.005	6,000,000	-	-	-
Sports & Recreation	New Ga-Rankuwa Library	9.712910.1.015	6,000,000	6,000,000	6,000,000	1,408,000
City Planning & Development	Redevelopment of Caledonian	9.712915.1.015	30,000,000	30,000,000	30,000,000	-
Sports & Recreation	Upgrade Refilwe Stadium	9.712916.1.015	15,000,000	3,500,000	3,500,000	1,724,878
Transport	Rainbow Junction and Rehabilitation of the Apies River	9.712920.1.015	950,000	15,600,000	15,600,000	12,225,896
Environmental Management	Kleinzonderhout Sustainable Agricultural Village	9.712935.1.015	5,000,000	5,000,000	5,000,000	4,934,560
Sports & Recreation	Cullinan Library Park	9.712936.1.015	-	11,500,000	11,500,000	7,546,488

Department	Project Name	WBS Level 3	Original Budget 2015/16	Adjusted Budget 2015/16	Current Budget 2015/16	Cumulative Capex Actual
Sports & Recreation	Greening Sport Fields	9.712941.1.015	12,000,000	12,000,000	12,000,000	8,676,041
Transport	Upgrading of roads and storm water systems in Refilwe	9.712944.1.015	50,000	-	-	-
Transport	Upgrading of roads and storm water systems in Rayton	9.712945.1.015	50,000	-	-	-
Transport	Upgrading of roads and storm water systems in Cullinan	9.712946.1.015	50,000	-	-	-
Transport	Improvement of dirt road leading to Clover hill club	9.712947.1.015	1,000,000	-	-	-
Health & Social Development	Social Development centre in Hammanskraal	9.712948.1.017	13,000,000	18,682,211	18,682,211	18,682,153
Corporate & Shared Services	Tshwane Leadership and Management Academy	9.712953.1.020	18,406,800	18,406,800	18,406,800	8,059,617
Health & Social Development	Social Development centre in Winterveld	9.712954.1.017	10,000,000	10,000,000	10,000,000	10,000,000
Health & Social Development	Social Development centre in Mabopane	9.712955.1.017	10,000,000	10,000,000	10,000,000	10,000,000
Office of the City Manager	City Hall Renovations	9.712960.1.015	30,000,000	20,000,000	20,000,000	19,718,699
Group Information & Communication Technology	BPC and SCOA	9.712961.1.015	20,000,000	20,000,000	20,000,000	17,879,766
Environmental Management	Refurbishment of Landfill sites	9.712964.1.015	5,000,000	5,000,000	5,000,000	4,998,188
Health & Social Development	New Soshanguve Clinic	9.712967.1.015	13,000,000	8,638,711	8,638,711	8,638,711
Group Information & Communication Technology	Credit Control Solution	9.712969.1.015	25,000,000	25,000,000	25,000,000	25,000,000
Office of the City Manager	RE - AGA - Tshwane	9.712970.1.005	150,000,000	154,218,000	154,218,000	148,981,148
Economic Development	Marketing & Trading Stalls - Cullinan CBD	9.712971.1.015	3,000,000	-	-	-

Department	Project Name	WBS Level 3	Original Budget 2015/16	Adjusted Budget 2015/16	Current Budget 2015/16	Cumulative Capex Actual
Economic Development	Marketing & Trading Stalls - Pretoria North	9.712973.1.015	2,000,000	-	-	-
Economic Development	Tshwane Packaging Facility	9.712974.1.015	3,000,000	3,000,000	3,000,000	-
Economic Development	Business Process Outsourcing Park in Hammanskraal	9.712977.1.015	54,100,000	30,000,000	30,000,000	8,937,449
Group Financial Services	Automation of Supply Chain	9.712978.1.015	30,000,000	30,000,000	30,000,000	29,134,033
Group Information & Communication Technology	Interactive Digital Centre	9.712979.1.015	74,000,000	74,000,000	74,000,000	74,000,000
Group Information & Communication Technology	Smart Connect	9.712981.1.010	1,773,260	1,773,260	1,773,260	1,773,260
Transport	Internal Roads: Mamelodi	9.712982.1.015	50,000,000	-	-	-
Environmental Management	Extension of Ga-Rankuwa Cemetery	9.712983.1.015	5,000,000	5,000,000	5,000,000	4,893,201
Environmental Management	Refurbishment of Crematorium Infrastructure	9.712984.1.015	2,000,000	2,000,000	2,000,000	1,996,398
Economic Development	Brick Making Facility	9.712985.1.015	4,900,000	4,900,000	4,900,000	4,894,176
Economic Development	Fresh Produce Facility	9.712986.1.015	3,000,000	3,000,000	3,000,000	2,970,000
Economic Development	Paper Towel Manufacturing Facility	9.712987.1.015	3,000,000	3,000,000	3,000,000	2,997,407
Economic Development	Informal Trade Market (Inner City)	9.712988.1.015	5,000,000	5,000,000	5,000,000	4,990,281
Group Financial Services	Corporate Capital Movables	9.712989.1.007	5,000,000	13,805,515	13,805,515	10,036,013
Group Financial Services	Handheld Terminals	9.712997.1.001	-	3,700,000	3,700,000	2,683,502
Total			3,856,566,482	3,995,193,296	3,995,193,296	3,968,594,186

APPENDICES: ADDITIONAL INFORMATION